



We've tailored employee benefit plans for airlines and for chicken hatcheries. We can satisfy your client.

More than one-and-a-half million Canadians—working for everything from giant corporations to tiny country co-ops—now enjoy employee benefit plans designed specifically to suit their particular needs by Great-West Life.

We're a leader in group insurance because we're specialists. The Great-West people who design and service employee benefit plans do nothing else but —for all kinds and sizes of companies. And they apply the expertise gained working with the big ones to help solve the problems of the small.

Another reason why we lead is because we're flexible. What does your client *really* need to provide basic financial security for his employees? Group life insurance, health insurance, disability, pensions . . . what about dental insurance? We'll put together the package that's the most efficient and

most economical—administer it too, if your client so desires . . . help him make it work.

If you have a client or prospect who's in the market for a new or revised employee benefit plan, call in a Great-West Life specialist. He's already helped people who have to keep the big birds flying . . . and people who just want good chicks.

You'll find a Great-West Life Group Insurance specialist listed in the phone book in Vancouver, Edmonton, Calgary, Regina, Winnipeg, Toronto, Hamilton, Ottawa, Montreal and Halifax.



J. W. BURNS

A Message From The President

It has been some time since there was the degree of uncertainty on the economic scene that we all witnessed in 1973. But in this Company — and in the life insurance industry — we were, to some extent, able to control our own destiny. Our basic mission is to provide superior financial services for people, and the demand for such services is constantly growing. Success for us, therefore, has been more influenced by how well we've done in attracting and holding customers than by anything else — energy problems included.

How well did we do this in 1973? Very well. For us in Great-West Life, it was a most favourable year. Many, many people working "very hard and very smart" made it so.

The healthy sales figures and the other satisfying statistics of 1973 which resulted from their efforts are contained in the "official" Annual Report, which has taken its usual form.

This magazine is the "unofficial" Annual Report. It concentrates less on the figures, more on the people and the events that made 1973. It is our attempt to place tribute where it belongs — with our people. And, while so doing, to inform you in an interesting manner about how things went at Great-West Life during the past year.

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The Cover: Winnipeg artist John Tutura's interpretation of Denver, Colorado — "hometown" of Great-West Life's new U.S. Marketing Headquarters, opened on Oct. 31, 1973. Story on page 5.

President



"The insurance innovators from Great-West Life showed us how to fund our pension plan with tax free dollars."

"About 7 years ago when we decided to add a pension plan to our existing employee benefit program, we asked Bob Eisler, our Great-West Life agent, to help us out. After analyzing our insurance needs, Bob recommended we start by looking into the possibility of having the business incorporated. That way, he pointed out, we would be able to shift the cost of the pension plan to the corporation on a tax deductible basis.

"We took Bob Eisler's advice and eventually incorporated. Once done, Bob and the 'creative planning team' at Great-West Life designed for us a Qualified Pension Plan which we are able to fund with dollars that are deductible from our corporate income tax.

"Bob and Great-West Life were also instrumental in setting up our Group Life, Health and Major Medical plans. Thanks to them, we now have a well rounded employee benefit program."

At Great-West Life we call ourselves the "Insurance Innovators" because we're always searching for new uses for life insurance. All our representatives are backed by "creative planning teams" to deliver comprehensive recommendations geared to specific client needs. Our business is to know your business and understand its problems.

Talk to the Great-West Life innovators. They'll help you solve your business and personal estate problems the way they did for Glenn Sayther and Jack O'Shaughnessy.

G ... CORPORATE NEWS OF 1973

The 82nd Year As The Board Saw It.

It was a good year. In fact, from the evidence contained in the Board of Directors' Report, Great-West Life's 82nd could be termed an exceptional year.

Highlights. There were higher sales, a continuing strong growth rate in business in force, substantially improved investment income and increased earnings for both policyholders and shareholders.

New records were set in sales of both life insurance and annuities the total increase was 22% over 1972. combined sales were nearly 3 billion dollars. Total business in force at year-end was up by 17% to slightly over 19 billion dollars, not including health insurance. (Though health insurance sales for the year were down fractionally from the record level achieved in 1972, health insurance in force - in terms of total annual premiums - increased by some 19 million dollars.)

Net income before policyholder dividends amounted to \$36,482,000. Policyholder dividends were \$20,619,000. Shareholders' earnings were \$6.78 per share — up from the \$5.86 of 1972. Premium income increased 16.5%; net investment income recorded a 15% gain; net rate of return on investments was 6.75% - compared to the previous year's 6.34%.

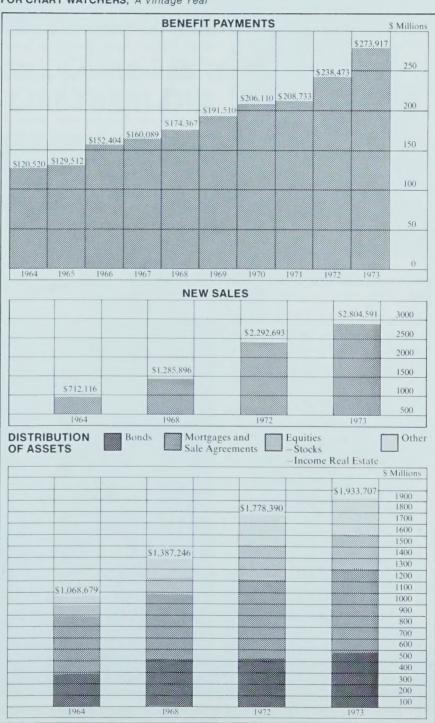
A particularly satisfying development was that the Company's expense ratio continued to improve despite a largely inflation-induced increase in operating expenses. And the Company's capacity to serve its large and growing United States market was enhanced during 1973 with the establishment of a marketing headquarters in Denver, Colorado (see following story).

Great-West Life's Guiding Principles state that the corporate purpose will be achieved by providing a broad range of financial products and services at the lowest possible cost consistent with high quality

service and sound corporate growth. The 1973 results pay eloquent testimony to the increasing effectiveness

of the Company's Officers, Staff and Field Organization towards achieving this goal.

FOR CHART WATCHERS, A Vintage Year



"A Man In 2 Million" A Good Customer

Any insurance company worth its policyholders' continuing trust passes a milestone of some substance every day. But, in a day and age when the "elapsed time between tall milestones" is dramatically shortening, the major memorables are achieved less frequently, by only the major companies in the industry; and are marked by special satisfaction.



SELLER BRIAN ELLIOTT, BUYER HENRY EBEN, PRESIDENT JAMES BURNS At Jasper Park, an historic presentation.

Great-West Life's first policy was issued on August 18, 1892, to Robert Thomas Riley, a prominent Winnipeg businessman and a member of the Company's first Board of Directors

Policy No. 1,000,000 was issued 58 years later — on May 1, 1950 — to Harry W. Manning, at that time Vice-President and Managing Director.

Policy No. 2,000,000 was issued in less than half that time — just 23 years later.

It was bought on June 23, 1973, by Henry William Eben of Slave Lake, Alberta, 36-year-old owner of a construction company, with a wife and four handsome, well-proportioned, well-protected children.

An "Old" Customer. Not so strangely, Mr. Two Million — though young in age — turned out to be a long-standing customer of both Great-West Life and the man who sold the policy, Brian Elliott, District Manager at the Grande Prairie office of the Edmonton North Branch.

The six-member Eben family now holds six Great-West Life policies — a Retirement Annuity, Retirement Income and Guaranteed Investment Annuity held by Mrs. Eben; another Retirement Annuity, another Retirement Income and, what turned out to be Policy No. 2,000,000, an Estatemaster, held by Mr. Eben.

"I had no idea it would be so special," said Eben. "Neither did they. But I've had good experiences dealing with Great-West Life and Brian Elliott always gives me sound advice.

"When Brian Elliott reviewed my insurance situation with me, I realized I needed additional coverage. It turned out that the new policy I bought was Great-West's Policy No. 2,000,000. That's a lot of policies even for a company that's been in business as long as Great-West Life."

Eben to Jasper. On the premise that a two-millionth milestone reached in new-record time rated two major presentations, Eben got them. As guests of the Company, he and his wife attended the Agents Convention held at Jasper Park,

Alberta in June. With appropriate ceremony, President James Burns presented to him the two millionth policy, and a substantial but untitled memento of the occasion, a one-edition-only Eskimo carving of a seal.

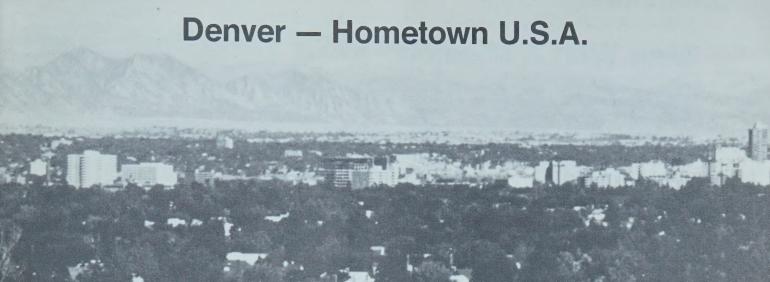
Then, at the opening of the Company's United States Convention, held three days later, also at Jasper, a "re-creation" — or delayed instant replay — took place. Policy and seal once again passed from Burns to Eben and merited applause once more rang out.

Growth Rate. Fifty-eight years elapsed between issuances of policies number one and number one million; number two million went out after only twenty-three years. Number three million should therefore be bought in 1985, or sooner.

In 1950 (Policy No. 1,000,000's year) the average policy the Company sold had a face value of \$5,200; today it's \$21,000. Great-West Life had around \$1½ billion of business in force then, more than \$19 billion now. When Policy No. 3,000,000 is sold, business in force will no doubt be something comparatively astronomical.



POLICYHOLDER 2,000,000 AND FAMILY*.
Six for Six. Susan (going on 4); Eben; wife Betty; Debbie, 11; Russell, 14; Laurie, 13.



The Broncos Didn't Quite Make It, The Great-West Life Team Did.

In the fall of '73, the raves of Denver's dedicated pro football fans turned to doleful rants as their beloved Broncos took a surprisingly sturdy run at a divisional championship in the National Football League, only to fall short.

It was a happier season for Denver's financial fans. On October 31, at 4:40 p.m., Great-West Life opened its new United States Marketing Office located in the city's downtown Park Central Building. Denver Mayor Bill McNichols did the honors by turning a ceremonial "key" (see picture). Said the Mayor, "the addition of Great-West Life as a 'corporate citizen' is the kind of growth we want."

Among the distinguished guests at the opening was Colorado Governor John Vanderhoof who expressed both his pleasure and his pride at the selection of Colorado as Great-West Life's 'home state' in the U.S.A.

Great-West Life President James Burns explained why the headquarters opening was an "inevitable step in the Company's development."

Said Burns, "We've been doing business in the United States for 67 years (the Company is now licensed to do business in 28 states and the District of Columbia) but over the last decade, the growth rate of our sales has been especially encouraging. In fact, we anticipate that our United States business will soon surpass our business in Canada. With



GREAT-WEST'S PRESIDENT BURNS AND CHAIRMAN CURRY, DENVER'S MAYOR McNICHOLS, COLORADO'S GOVERNOR VANDERHOOF.

Man With A Mission

In September of 1972, Ron Smith, manager of Great-West Life's Dallas North Branch claimed that by year-end his office would have sold over \$7 million of insurance in force. Kevin Patrick Kavanagh, then Director of Marketing for the United States and now Vice-President, United States Operations, didn't believe him.

"If your branch sells over \$7 million this year" said Kavanagh to Smith, "I'll do a Highland Fling on top of the Richardson Building (a 30-storey downtown landmark in Winnipeg)."



IN WORKING REPOSE.

Smith did it; and on a cold, (+17°) blustery January day in Winnipeg, Kevin Kavanagh paid the price of his wager.

Bare-kneed in a kilt and accompanied by two Scottish pipers, he danced a brief Highland Fling, for the benefit of an audience composed of Company President James Burns, his entire U.S. Marketing staff, and his wife Els. In a magnanimous gesture, the winner, Smith, paid the pipers.

"I was hoping they'd make the \$7 million target;" recalls Kavanagh, "but I really didn't think they'd make me dance."

No one's betting against Kavanagh and his United States Marketing team when they predict a tremendous expansion of Great-West Life's U.S. sales. Says Kavanagh, 42 year-old native of Brandon, Manitoba, "The American market is ten times bigger than the Canadian market — if for no other reason than that, we think it's a very strong possibility."

"By building up our marketing resources, a task now made easier by our location in Denver from where we can more successfully attract top calibre executive talent, we are expanding our ability to better reach the existing market here."

Kavanagh does not see his new U.S. Marketing headquarters as the fore-runner of an American Head Office. Rather, he is building fully-integrated marketing organization. "We will do those things here that have to do with our mission, which is to increase our sales and business support in the United States — to enhance the activities that enable us to provide first rate service to both our field organization and our policyholders."

Kevin Kavanagh brings to his position "fully-integrated marketing organization" experience. Holding a Bachelor of Commerce degree from the University of Manitoba, he joined Great-West Life after graduation in 1953 as a group insurance representative. By 1965, he was superintendent of the Company's group insurance operations. In 1968, he was appointed marketing director for the western Canada region and a year later was named director of all the Marketing Division's support services activities — the training and recruiting, advertising and sales promotion, and marketing administration departments. In 1971 when James W. Burns, then Director of Marketing for the United States, was elevated to President and Chief Executive Officer of the Company, Kavanagh was picked to head up the U.S. Marketing organization.



THE \$7 MILLION FLING.

If Kevin Kavanagh makes any more unsuccessful wagers with his managers, now at least he can count on the more temperate Colorado climate to make less rigorous any future roof top exercises.

this pattern of U.S. expansion, our constant pledge to provide the best possible service to policyholders and our American agents and management made this new headquarters a must."

The U.S. Marketing headquarters manages the more than 50 marketing offices located from coast to coast across the country.

That the headquarters came to be located in Colorado was due mainly to the fact that Denver, one of numerous candidate cities, scored highest on several "must" factors — economic climate, availability of personnel talent, its central location, transportation links, social and recreational environment.

Some speculated that the city's chances were aided by the fact that its Great-West Life branch was one of the largest in the company (clearly Denver had so many other advantages - see story "Yes - It is Exactly 5,200 Feet" - that this did not weigh heavily). For making it such starting with just a scratch agency 16 years ago - Denver Branch Manager Bob Perkins was saluted during Opening Day ceremonies. So too were other Great-West Life American "pioneers" - such as Earl Schwemm, C.L.U., who built the Company's Chicago sales organization and Newman Long, C.L.U. who did the same for the Company in Texas.

That the mere fact of the establishment of this U.S. Marketing Office will result in attracting people of the calibre of these pioneers, Donald C. Elliott, Great-West Life's Vice-President, Marketing, has no doubt.

"Since we have ambitiously planned for growth in the U.S., we vitally require United States citizens to staff our Marketing office;" he says. "Our capacity for attracting more and better people ought to be improved."

Other plusses, as Elliott sees them, are: "One, we needed physical visibility for our U.S. people — we now have that. Two, we needed to be better tuned in to the happenings in the U.S. market place — that's beginning to happen." And "one thing is crystal clear so far — that we started off on the right track. The opening of the Denver office came off with a style that was first-class in every respect. That it happened this way is due both to the efforts of our own people and the warm and

Yes — It's Exactly 5,280 Feet

The Mile High City, Great-West Life's new Hometown, U.S.A., was born in the Pike's Peak Gold Rush of 1869, named after a onetime territorial governor of Kansas, lies at the junction of Cherry Creek and the South Platte river precisely 5,280 feet above sea level.

Today Denver is the 27th largest metropolitan area in the U.S. with a population of over 1,295,000 — not even including the "new folks in town from Winnipeg." It's growing fast and young — the median age of Denverites is 26.4.

Because it has become the distribution center of the Rocky Mountain and High Plains region, Denver's Stapleton International Airport is the eighth busiest in the country, served by seven major airlines, several regional carriers and various charter services. And since large wholesale and distribution businesses use Denver as a major shipping point, it's a railroad center too.

As well, it's an insurance center of some magnitude — over half a dozen life insurance companies are headquartered in the Colorado city.

Much in Common. Denver and Winnipeg have much in com-

mon - both are western, with a casual, relaxed lifestyle. ("The thing I like best about Denver," says newcomer Terry Wasley - Great-West Life Supervisor, Marketing Administration for the new office — "is that it's not a typical big American city; it's not yet a Chicago, New York or Los Angeles.") One thing they do not share is Winnipeg's fibre-testing winter. Denver enjoys a mild, sunny, semi-arid climate. Average temperatures are the low seventies in summer, 25-30 degrees in December and January; a "severe cold spell" is 15 above.

A magnificent attraction of Denver is its proximity to the mountains. "I enjoy the mountains for their beauty," says Bob Slepicka (U.S. Manager for Individual Sales Development) who has lived in Denver for 12 years. "And I like hiking, camping, fishing, but I'm not a skier." He isn't, but many are. Skiing is tremendously popular — the city is within easy driving distance of world-famous Vail and Aspen, as well as other top-rated ski areas. Happy hunting grounds are also many, as are snowmobiling sites.

Spectator Sports. The city itself is green with 100 parks covering

2,750 acres and providing picnic and playground areas, golf and tennis facilities, lakes and swimming pools. For sports watchers, there are the Broncos pro football team; the Bears of the American Baseball Association; the University of Colorado and Air Force Academy football teams; the professional basketball Rockets; the pro Spurs of the Western Hockey League and the University of Denver hockey team.

Culture lovers and seekers can attend the symphony, the ballet and several theatres. Other attractions include the Denver Zoo, the Museum of Natural History, the Art Museum, the State Historical Museum, the Botanic Gardens and two amusement parks.

Then there are the people — most of whom seem to have come to Denver from somewhere else, which perhaps accounts for their friendliness and helpfulness towards newcomers. Says Els Kavanagh, wife of Kevin Kavanagh, Vice-President, U.S. Operations, "People here say 'have a good day'... and sound like they really mean it!"

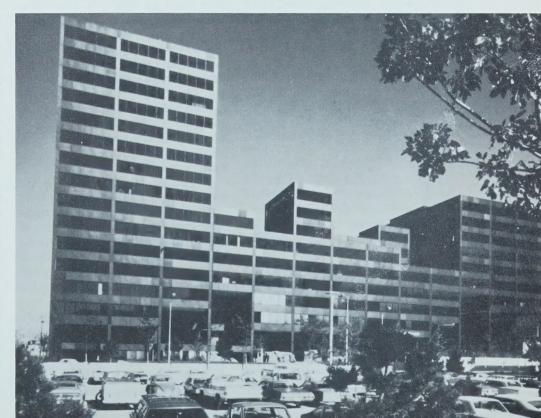
As the theme of a Company brochure saluting the opening of the new United States Marketing Office put it: "Denver... that's the life."

co-operative welcome given us by Denverites.

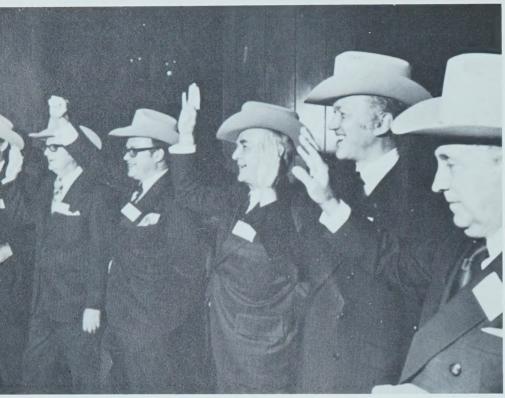
"Now all that's required is an impressive follow-up."

The man in charge of making the follow-up impressive is Vice-President, United States Operations, Kevin Patrick Kavanagh. His confidence is high (see profile this section). "This is only the beginning," he says.

"I expect that in the years ahead we will build our own office building in Denver, and our employment may rise to as many as 1,100 people."



The Directors Went Thataway



IN TEXAS THE BOARD BECOMES A POSSE.*

Tuesday, April 24, 1973. The day for The Great-West Life Board of Directors' first quarter meeting at the Winnipeg Head Office. But they weren't in Winnipeg. In fact, the Directors were 1200 miles south of Winnipeg in Dallas, Texas. They were there for an historic gathering: the first meeting of the Board in the United States.

That the Company's Directors found themselves in Dallas for this special meeting was not surprising.

From 1891 when Great-West Life was incorporated until 1971, the Board had held its meetings in Winnipeg. But to mark British Columbia's centennial in 1971, the Board had decided to hold a special meeting in Vancouver. Delighted with their reception, and the opportunity to get better acquainted with Great-West Life's British Columbia

*Taking the oath of office and ranging from left to right, six of the Honorary Deputy Sheriffs who were caught by the camera: E. H. Moncreiff (President, Standard Aero Engine Limited), R. H. Jones (President and Chief Executive Officer, The Investors Group), J. Blair MacAulay (Aikins, MacAulay and Thorvaldson), A. M. Runciman (President, United Grain Growers), J. W. Burns (President and Chief Executive Officer, Great-West Life), J. H. Coleman (President, J. H. C. Associates Ltd.).

personnel, the Board decided to hold further meetings from time to time out of Winnipeg. In 1972, Toronto, Ontario was the site of the out-oftowner.

The choice of a U.S. site for a 1973 meeting was not surprising. Great-West has been doing business stateside since 1906. Today, over 80 offices service Company clients in 28 states, and account for close to half Great-West Life's total business.

The choice of Dallas held equal logic. Texas is home on the range for one of the Company's largest sales organizations, with three marketing offices and a Group Benefit Payments Office.

In addition to the regular Board meeting on Tuesday morning, from which first quarter sales and earnings results were released, the Directors' activities included a reception at the Fairmont, attended by representatives of the Dallas business and professional community. Said Dallas Central Branch Manager, Henry Thevenet. "We took pride in presenting the Directors of this Company to their friends and policyholders here. We're hoping the meeting had a desirable effect on the Dallas business community; it's certainly safe

to say that those who attended the reception were much impressed."

At a dinner for Texas personnel and their wives held at Los Colinas Country Club, all the Great-West Life Directors there were made Honorary Deputy Sheriffs of Dallas County, donned stetsons and lined up in possé formation to take the oath of office (see picture).

When the Directors next head out of town for a meeting, "thata-way" will be in Montreal, June, 1974.

Two Translation Bureaus Become One

On November 15, 1973, with no elaborate ceremony, the Translation Departments of Great-West Life and its affiliate company, Investors Group, were combined into one bureau — known as "Translation Services" — and located in the Winnipeg Head Office of Great-West Life.

The new department is now providing a full range of translation and related services to both companies and had a complement of twelve. The amalgamation had been recommended by an Investors/Great-West Coordination Committee (headed by George Aitken, a retired Vice-President of Great-West Life, and made up of representatives of both companies) after a thorough review of operating areas where cooperative effort would assist both Investors and Great-West Life.

Good News. Regional Marketing Director for Eastern Canada, Denis Baillargeon, in a message to his Quebec managers and supervisors, expressed his pleasure at the good news. "We have always recognized," he said, "the importance of being able to present Company material to our French-speaking policyholders, field force and the public in clear and correct French. This is vital to the success of our marketing and service operations. The improved and expanded Translation Department promises to provide the desired level and quality of service to both our Company and Investors Group."

Baillargeon added that Franck Pellerin, Manager of the new department, "intends to periodically visit our Quebec marketing and service operations to consult with our people there so that, through healthy dialogue and communications, he can effectively respond to their concerns.

Dilemmas of Modern Man

In 1973, a Great-West Life committee looked into projects the Company could undertake as a contribution to the 1974 Centennial celebrations of its home city of Winnipeg. The committee examined dozens of ideas, many requiring bricks and mortar. Chairman of the special committee, Dr. Bob Beamish, Executive Officer, Underwriting and Medical, said all of these physical projects were finally rejected in favor of something "in the realm of the mind."

"The Dilemmas of Modern Man" was born. That's the title of the Winnipeg Centennial Symposium sponsored by Great-West Life which will bring together in Winnipeg, October 27-30 an international array of leading thinkers in the fields of education, medicine, economics, communications and global problems.

The symposium speakers list is imposing. A session on Genetics will feature Sir Cyril Clarke from England, Dr. Charles R. Scriver of Montreal and be moderated by Dr. John L. Hammerton of Winnipeg — all top experts in the field.

Confirmed for the session on Global Problems are Dr. Aurelio Peccei, Italian industrialist and founding member of the worldfamous Club of Rome, and Maurice Strong, Secretary-General of the United Nations Conference on the Human Environment, with Dr. F. Kenneth Hare of Toronto, former president of the University of British Columbia and expert in meteorology and geography as moderator.

Communicating on Communications will be Dr. A. Davidson Dunton, Chairman of the Canadian Broadcasting Corporation from 1945 to 1958, and Pierre Juneau, Chairman of the regulatory Canadian Radio and Television Commission. The Communications moderator will be The Honourable Mme. Jeanne Sauve, Canada's Minister of State for Science and Technology.

An Education session will have the Rt. Hon. Lord Ashby of Brandon, England, leading British educationalist and Dr. Michael Oliver, current President of Carleton University in Ottawa.

Dr. Herbert Stein, top economic advisor to the United States Government and Dr. John J. Deutsch, chairman of the Economic Council of Canada from 1963 to 1967 and now Principal of Queen's University in Kingston, Ontario will speak on Economics. Arthur J. Smith, president of The Conference Board in Canada will moderate.



The problems posed by aging will be addressed by Dr. Nathan Shock, head of the Gerontology Research Centre in Baltimore, Maryland and Dr. Ferguson Anderson of Glasgow, Scotland, another internationally known gerontologist.

"We thought an international symposium of leading thinkers would stimulate the intellectual life of the community," said Beamish. "The modern world is confronted with major problems in every aspect of its existence — we don't have too many solutions. Hopefully, the symposium will assist, in some small measure, the continuing search for solutions."

It's expected the symposium will draw attendants from across North America. Manitobans can attend each of the six sessions for \$1.00 or register for the full event, including receptions, luncheons, banquet and a bound volume of the proceedings for \$50.00. Non-Manitobans can register for the full symposium for \$100.00.

Rescission Rights Reign

Readers of the much-maligned "fine print" in insurance policies (Great-West Life's policies have, in fact, been substantially de-coded in the past 10 years) received further aid and encouragement from Great-West Life in 1973 as Rescission Rights became Company law.

Rescission — ironically itself a fine-print word — was immediately translated in popular parlance to the more readily understandable "10-day free look" and means just that. New buyers will have ten days from the time their policy is delivered to examine it and make sure they're satisfied — if not they can return it and get a full refund of money paid.

Written Re-assurance. Rescission was endorsed in 1973 by the Canadian Life Insurance Association and Great-West Life was among the

first to formally adopt it as policy on all its policies — it merely makes official an administrative practice that the Company has followed for many years. In practice, Great-West Life had, in most instances, refunded the full premium when dissatisfaction was voiced. This guarantee of a 10-day free look is now written into all policies.

It is unlikely that "rescission rights" will become much talked about, at least at Great-West Life. As a Company spokesman put it: "Because we have complete confidence in the superior quality of Great-West Life's products and our sales representatives' high level of counselling competence, we frankly don't expect to see it used very often. Nevertheless, we think our customers will appreciate knowing that they have this extra period of time in which to review their purchase."

More than A Redcoat

During the Centennial of the Royal Canadian Mounted Police in 1973, there was an extensive program of special events and celebrations which recognized and depicted the history and development of the famous force. Meanwhile, despite these distractions, the Mounties had to carry on their normal work as Canada's federal police and, for most provinces, provide provincial police services.

To show how the R.C.M.P. carries out these responsibilities and to illustrate the infinite variety of its role, the Great-West Life produced a 16-mm., 26-minute color film, entitled *More Than a Redcoat*.

Prints of the film will be made available on loan to schools, clubs, churches and other interested organizations after May 1st.

\$25,000 may have been enough then.



Now your ADA Group Life Insurance Program provides low-cost protection up to \$100,000.

As your position in life has changed, your ADA Group Life Program has changed with it. Now you have obligations far more important than when you graduated. A family, a home, and a practice—all adding up to a very desirable lifestyle.

To help maintain that lifestyle for your family, should anything happen to you, your ADA has made it possible for you to increase your coverage.

\$50,000,\$75,000 or \$100,000 is available at the same low rates* as our \$25,000 plan.

Take advantage of this low-cost protection. Apply now for the greater insurance coverage you need.

ADA group life program.

[a] 1027 LaSalle Bank Building, 135S. LaSalle Street, Chicago, Illinois 60603

Great-West Life

G

G III MARKETING NEWS OF 1973

Up, Up And Away

"What's Up?" a new Great-West Life folder rhetorically asked Canadian policyholders in 1973. "Everything these days," the same piece swiftly replied, "Food. Clothing. The cost of housing. You name it!"

Then it went on to outline the import of an "up" that, for once, wouldn't get people down - in the new Income Tax Act, the upper limit on contributions to registered retirement savings plans (R.R.S.P.'s) had been increased, allowing Canadians to invest in amounts that were more closely and realistically related to their individual retirement goals. Depending on his or her personal situation, a person could set aside up to \$4,000 a year in an R.R.S.P. and deduct the contribution from his taxable income. (As well, the interest earned on the funds set aside in an R.R.S.P. is not taxed.)

Dramatic Increases. This relaxation of the contribution limit has been welcomed by the well-taxed consumers. In the taxation year ending in February '73, Great-West Life sold and registered 56% more retirement plans than in the previous year. The premium dollar value increased by 101%.

The percentage increases in equity-based lines were even more dramatic — the number of plans jumped by 72%; premium dollar value by 186%.

Much of this growth was nurtured by the enviable performance of the Company's Canadian Fund Number 2. For the two-year period ending in December '73, its investment performance topped all Canadian insurance company segregated funds — the annual return was 9.14%. For the three and four-year periods it also took the blue ribbon with annual returns of 11.62% and 9.29%, respectively.

Innovative Product. Extra im-

petus was given to the growth of registered retirement plan business by the Company's introduction, in the Fall of '73, of the new Group Registered Retirement Plan. This innovative product — which combines the best features of an individual R.R.S.P. with the economies and investment power of group participation — has found an eager market.

The big question on registered retirement plan business at Great-West Life today is not "What's up?" but "How high will it go?".

This Didn't Hurt A Bit

The American Dental Association's Group Life Insurance Program – underwritten by Great-West Life since 1934 – is the largest of its kind in the world.

At the beginning of 1973, there were 47,337 dentists and dental students enrolled in the plan. At the end of 1973 there were 51,392 dentists and dental students enrolled and their combined coverage totalled more than \$2.3 billion of insurance in force.

The 1973 increase was brought about by the introduction of two new coverage amounts. Launched in

16th CENTURY PRINT DISTRIBUTED TO A.D.A. MEMBERS.



January of '73, the new \$75,000 and \$100,000 plans proved to be extremely popular — 11,082 members enrolled in the new plans or increased their existing coverage to the new amounts during 1973.

Some of the credit for success must also go to a unique advertising and direct mail campaign.

News of the new plans was carried to ADA members in a portfolio of six historical dental prints, suitable for framing — requests for additional sets are still being received.

"Fringe" Benefits No More

The day of "fringe benefits" as "fringe" benefits is gone.

Most of us can remember a time when an employer provided a few thousand dollars in group life insurance, a pension plan and, perhaps, medical expense coverage. And that was it! But today as the wealth of the country steadily increases and the overall standard of living rises, employer-provided "fringe" benefits coupled with expanding government social security programs, have become a major part of total compensation. Often, a company's so-called "fringe" benefits equal in value 20, 30, or more percent of an employee's total paycheck.

As group benefits have jumped dramatically in value, the range of needs covered by these plans has also expanded. Guaranteed income in the event of a disabling accident or illness has become standard fare. Health care benefits not only include standard coverage for hospitalization and surgery — now dental care insurance, and unlimited coverage on major medical expenses are frequently a part of the package.



ELLIOTT, VICE-PRESIDENT, MARKETING: "We don't see any slowing down."

ployer-provided group benefits, and the increasing importance and complexity of government social security programs, there's one trend we're sure to see. A total financial planning service. For a fixed annual fee, the employer will contract a financial services organization, like Great-West Life, to provide a complete employee benefit communications service:

- educating staff on their benefit package, including government supplied benefits, and thus helping to enhance employer-employee relations.
- advising on trusts and wills
- assisting with tax problems and installing tax-sheltered financial plans.
- estate planning, and therefore, establishing personal life insurance and annuity programs.
- counselling on investments, including mutual funds. bonds, certificates, etc.

"In sum, Great-West Life, in addition to underwriting a benefit plan, would provide a consulting service that provides the employee with total financial care."

Very, Very Busy. With all these trends - new benefits, new ways of packaging benefits, and new services to go with the benefits becoming fact in the next five to ten years, it's clear that the growth of the entire group benefit field should be phenomenal. For people at Great-West Life like Claire Miller and his associates, who are in the business of designing and administering employee benefits, it promises to be an exciting and very, very busy time.

COMPANY LEADERS:

Tops in Volume: Lenenberg

"His attitude towards his clients and our industry is one of complete dedication. Whether he is selling a \$10,000 term policy or a complicated pension or profit-sharing plan involving \$600,000 or more of life insurance protection, his concerns are the same ... the thing that makes Sandy such a delight to work with is that he is a sincere, concerned, thoughtful and cooperative individual."

Bernie Friedman. Branch Manager, Philadelphia "This is a very competitive business, so to really get ahead you have to be willing and able to do that something extra which will set you apart from everyone else. The general idea is to give your clients a type of service that leaves nothing to be desired."

-S. L. Lenenberg For the fourth time in his fiveyear association with Great-West Life and for the third year in succession, Sander Lee (Sandy) Lenenberg (District Manager in Pittsburgh, under the Company's Philadelphia Branch) led the entire Company in individual sales. His 1973 volume with Great-West Life was a resounding \$6,099,768.

This record notwithstanding, he professes to be no magician. "The methods I developed were not magical in any way, not based on any secret or super-sophisticated selling techniques. They are based on one simple concept and, if I may be immodest, my own firm dedication to that concept. Using time effectively."

"Beginning with my initial interview with a prospective client, I outline the theory that I really stick to — that I intend to give that client truly professional service. My work, for the time I put in for a client, goes far beyond writing new business. I get myself involved in every aspect of his financial program. This involvement means attention to a lot of details ... policy changes on existing policies, contacting attorneys for wills or trust agreements or other legal instruments as needed and even

SANDY LENENBERG



sessions with an accountant if the case involves a business operation."

Lenenberg – 36, Pittsburgh-born, graduate of the University of Toledo and veteran of the U.S. Army, parent (with wife Carole) of twin boys Jack and Alec – also finds time to become heavily involved in charitable work. He is on the Board of Directors of the United Jewish Federation of Pittsburgh, of Temple Emanuel, and of the Young Men and Women's Hebrew Association. For relaxation he enjoys golfing, tennis and swimming.

He intends to work a little harder in 1974: "I see a psychological barrier (being) created by a concern with the energy crisis and other politically oriented problems. This psychological barrier may make it more difficult to write business, but should not be used as an excuse. Therefore, I realize that in setting my goals, I will have to work a little harder to reach them."

Top Branch: Boisvert's

"When, after some years' experience, I felt that I had become a full-fledged life underwriter, I began considering management. I felt my experience (I had been a teacher before) had endowed me with more aptitudes for teaching, training and management than selling."

— Georges Boisvert
By appreciating his people, hiring intelligently and teaching very, very well, Georges Boisvert has made his Place d'Armes Branch in Montreal the leader among all the Company's branches in North america. In 1973 its net placed volume was \$40,822,872 — more than \$13 million ahead of the closest competitor.

Boisvert, 64, and now in his 36th year with Great-West Life, goads, guides and applauds 57 representatives — and savours their triumphs as though they were his own. Of his managerial role he says: "One of the most thrilling parts of the job is signing commission cheques, especially when they are for extraordinary achievements or special effort on the part of one of my men. This is one of the fruits of one's labours after training and counselling a man, finding him receptive to your ideas and dedicated to the same ideals." And: "There is the satisfaction of growing with my men and of seeing them grow with



GEORGES BOISVERT *Philosophical manager.*

me, not only as salesmen, but equally, as men."

Not surprisingly, he feels that recruiting is a manager's most important responsibility. And recognizing that failures and frustrations are inevitable in this area, copes with them philosophically: "When you have brought a man into the business with high hopes for his success and he turns out not to have the strength of character or willingness to discipline himself as required to succeed, it is frustrating. But for everyone like this, there are so many who are willing to pay the price.

"In order to be enlightening and strengthening, any decision a manager makes demands of him the willingness to accept in advance the possibility of failure after loyal effort."

Probing further into the anatomy of management, he says: "What may prevent (the manager) at times from deciding and establishing a firm objective, what may dull his sense of responsibility, is that he

tends to want to dissociate himself from his actions if they fail and claim paternity over them only if they are successful. He wants to be always winning. This is false pride, which paralyzes; which prevents him from dedicating himself truly to his total job of management. He must have full dedication because without it, he will not generate the love for his people and his job that is essential to progress."

Georges A. Boisvert, born in St. Flavien, Québec; graduate of Laval University of Québec; husband of Emeline and father of Monique, Lise and Rachel; a teacher at both a Jesuits College in Sudbury, Ontario and a School of Commerce in Fall River, Massachusetts; joined Great-West Life in Trois Rivieres in 1938. Now heading up the Company's top branch he views his success with both realism and relish. "Branch management," he says, "is one of the most exacting jobs that one could find. It is also, therefore, one that satisfies the most."

G-E PEOPLE NEWS OF 1973

Chairman Curry Becomes President Curry at Power Corporation

"It's quite a wrench to be moving" said Peter D. Curry, Chairman of the Board of Great-West Life and the Investors Group, as he departed Winnipeg in November to become President and Chief Operating Officer of Power Corporation of Canada Ltd. in Montreal.

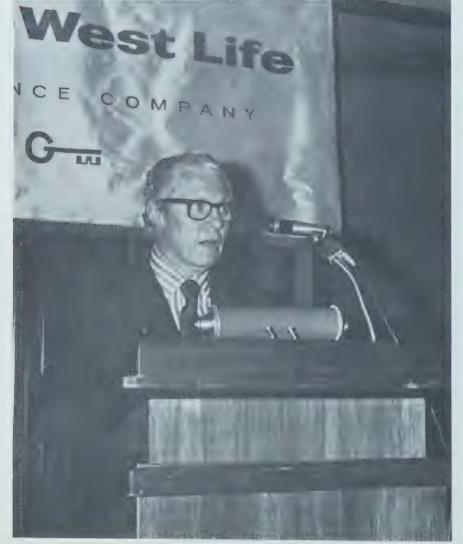
However, he retained the chairmanships of both western-based companies upon assuming his new mantle with the "parent" Power Corporation in the east, and took along fond memories. "I've spent all my adult life here and my business career (spanning some 30 years) has been centered here. I regard myself as very much a Winnipegger and a westerner."

No Shift. For the Winnipeggers

he left behind, Curry had reassuring words. "I cannot emphasize too strongly that the head offices of Investors and Great-West Life will continue to be located in Winnipeg and the operations of both companies will be unaffected by my move to Montreal." Speculation about a shift naturally arose because Power Corporation holds a controlling interest in Investors Group, which in turn holds over 50% of Great-West Life. Power Corporation is the largest shareholder opposite nearly a dozen companies, including Canada Steamship Lines, Consolidated Bathurst, Montreal Trust, Laurentide Financial Corporation, Imperial Life, Montreal's daily newspaper La Presse and others.

As president, Curry commands day-to-day operations under Power Corporation Chairman Paul Desmarais. He's left no doubt that he considered the new job stimulating and worthwhile, saying that the corporation "fulfills a dynamic and progressive role in the Canadian economy as (it) has direct and indirect holdings which involve it in many key areas of the Canadian scene ... In recent years there has been a great deal of talk about the Canadian desire for greater domestic control of the economy. Through the activities of Power Corporation some very significant advances have been made towards that national objec-

"For these and other reasons my new appointment offers variety and challenge and purpose."



Our Man in Muskegon

In one respect, 1973 was a year like any other. Many, many Great-West Life people made giant-sized contributions of service to the communities in which they live and work. Typical of them is field representative Wes Anderson, who found the time and had the heart and the talent to spearhead an operation to put Muskegon, Michigan back on its economic feet.

It was called "Operation Impact." Economic depression — which, among other things, brought about a large inferiority complex among Muskegon's 150,000 citizens — made it necessary. Wes Anderson made it work.

"It probably all started about 90 years ago," says Anderson. "Then, there was a lot of money to be made from the white pine timber which grew abundantly in and around

Muskegon. The result - a total rape of the land. And when the lumber was gone, so was the money."

In later years, Muskegon tried to recover and became a prime area for the production of war materials. But that was another industry that was not too lasting.

The trees grew back, but the community still had problems to plague it — unemployment, public apathy, feelings of inferiority.



BOOSTING BY BUMPER
Wes Anderson, left, with members of his committee—Charles Graham and James Russell.



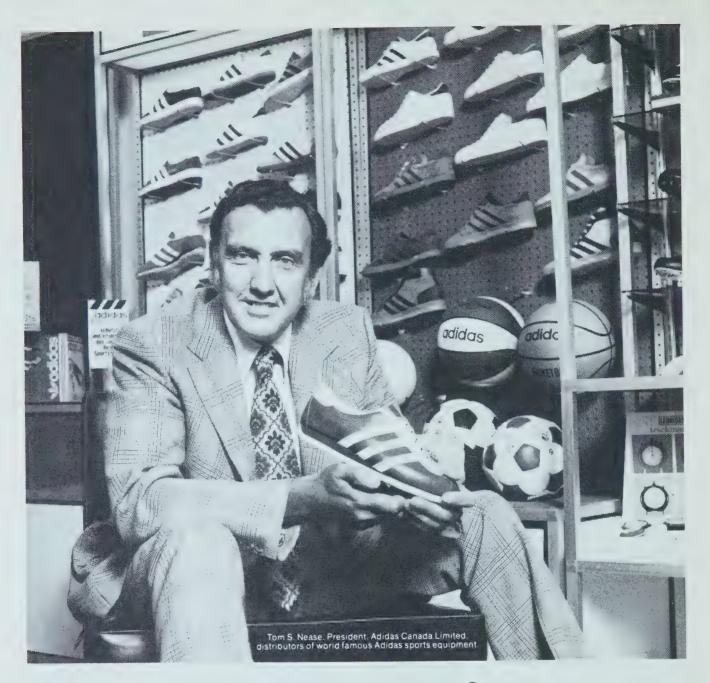
This is the closest many people come to financial planning.

Great-West Life would like to help you get your financial plans in perspective. Give you an idea where you stand so you'll know a little better where you're going. To do this we're willing to pit our computer against your fortune cookie.

All you have to do is answer a few simple questions telling us what you want out of life and what you've done to date to achieve these goals. We will give you in return a detailed document that

will tell you just how you're doing. If you are short of your objective, the computer will show you how much life insurance, retirement benefits, or disability insurance you need to make up the difference. If you're in good shape it will let you know that too.

Even if you weren't planning to buy life insurance or start a retirement fund, you should try the test anyway. We ask some pretty basic questions; questions you should be asking yourself. If you are considering your personal financial program and you accept our recommendations, Great-West Life can provide the extensive range of services you need. Whatever you do, take the test. You never know, your fortune cookie may have been right all along.



"At Adidas we grew so fast, it took the insurance innovators from Great-West Life to keep up with us."

"One of the first things I did after becoming President of Adidas Canada Limited was talk to Great-West Life agent Fom Hazell. He had been working closely with Ray Schiele, the founder of the Canadian company, and he was highly recommended to us by our auditor.

"Tom Hazell helped me by showing me how to save tax dollars by incorporating my pension savings from my previous job into a Registered Retirement Savings Plan. Then Tom and the 'creative planning team' from Great-West Life went to work on our benefit program.

"First, they suggested our company

expand its Disability Insurance Program to cover more people. Then they established a company-administered Registered Retirement Savings Plan for the same employees. Finally, they reviewed the pension requirements for Mr. Schiele and myself, and recommended a plan that provided a solution to our pension planning problem. All these plans offered added protection and security, as well as tax savings for our employees and the corporation.

"Tom Hazell and his creative planning team keep me well informed on all details which leaves me free to concentrate on our business of being the fastest growing company in the Canadian sporting goods industry."

At Great-West Life we call ourselves the "Insurance Innovators" because we're always searching for new uses for life insurance.

Talk to the Great-West Life innovators. They'll help you solve your business and personal estate problems the way they did for Tom Nease.

"Fourteen service clubs in the Muskegon area got together," says Anderson, "and decided to do something about the negative attitudes that prevailed. A decision was made to form 'Operation Impact.' When the time came to choose a chairman, I found myself elected.

"Some people, I suppose, looked upon my election as simply a great way for a life insurance man to get known and develop clients. But believe me, the work involved was not for someone with self-seeking intentions. To be quite frank, it's been one hell of a big job."

The job was, simply, to attract new businesses to the community — but first it had to be made to become a place worth coming to. The key to that was reinstalling residential pride. "Selling," to quote Anderson once more, "as every life insurance man knows, can only be done successfully if the salesman has a belief in his product. And that was the problem with Muskegon. Nobody believed in it, so how were we to expect developers to believe in it either?"

So Wes Anderson and his committee developed promotional materials to help build Muskegon spirit and unity – bumper stickers, lapel pins, billboards, song contests, a giant pep rally. They publicized the attributes of the community including improved recreational facilities, a fine deep water harbour, a new waste water sewage system designed to do away with pollution and save incoming industries the costs of having to develop their own antipollution devices - to the community's people, so they could knowledgeably and enthusiastically join the drive to attract newcomers.

And it's working. Local firms have expanded existing buildings and built new facilities, indicating increasing confidence in the community's future. Greater Muskegon appears headed for an era of growth and prosperity. As the Muskegon Chronicle recently put it: "Taking all aspects of community development into consideration, it is evident that Greater Muskegon is making important strides for the future. 'Operation Impact,' a special project of area service groups, undertook an outstandingly successful effort to increase the pride of area residents in the community."

For which Great-West Life's man in Muskegon can take a bow.

... And our Men and Women Across the Continent.

Wes Anderson's effort at building a better Muskegon is just one example of Great-West Life people at work in the community. Herewith, a sampling of Great-West Life's appreciation earners of 1973:

Dr. Bob Corne (Asssistant Medical Director) received a Fellowship in the American Heart Association Council on Clinical Cardiology; was elected a Fellow of the American College of Cardiology, a director of the Manitoba Heart Foundation and secretary of the Mayo Cardiovascular Society ... John Neufeld (Planing Consultant) was appointed Vice-President of the National Council of the YMCA, Manitoba region ... Myrna Siba (Group Pension Dept.) was voted outstanding Unit President of the Jaycettes Mid-Canada Region at the Jaycees International Convention ... Art Prochaska (Manager, Chicago Service Office) became president of the Des Plaines, Illinois Lions Club ... Vic Beck, C.L.U. (Branch Manager, Austin) was elected to the Board of Directors of the Austin C.L.U. Chapter and Secretary-Treasurer of the Austin General Agents and Managers Association ... Dorothy Bullock (Property Investments) received the award of Serving Sister of the Order of St. John from Canada's Governor-General Roland Michener ... Ted Harland (Senior Vice-President) debated with Pennsylvania's Insurance Commissioner Herbert Denenberg on CBC Radio's national network program "Summer Switchboard" last August ... Jim Hillman (Vice-President and Controller) received the Canadian Heart Foundation's 1973 Award of Merit Ben Pedrick, C.L.U. (Los Angeles) received the Silver Beaver Award from the Western Council of the Boy Scouts of America ... Bernie O'Dowd (Group Brokerage, Montreal) was elected president of the Town Planning Commission of St. Bruno, Quebec ... Paul Embregts (Branch Manager, Montreal Central) was re-elected president of the Institut de Cardiologie de Montreal ... Tom Gentry (Houston Branch) was elected Mayor of Baytown, Texas . . . Manny Gurevitch (Northern Ontario) was appointed to the



D. E. Kilgour 1912-1973

The Company was saddened by the death, on March 13, 1973, of former President David E. Kilgour, in his 60th year.

During his 38 years with Great-West Life his contributions to its development were of major significance: the 16 years of his presidency (1955 to 1971) were years of tremendous growth — the Company rose to become the third largest life insurance organization in Canada and to rank in the top 25 out of some 1800 life companies in North America.

His service to the industry was also outstanding - with the Life Insurance Agency Management Association, the Canadian Life Insurance Association, the American Life Convention, the Life Insurance Association of America, the Institute of Life Insurance and the Health Insurance Association of America. He also served his community and his country as Chairman and President of the Canadian Heart Foundation, a director of the Winnipeg General and Winnipeg Children's Hospitals, a board Member of the YMCA and the University of Manitoba and Chairman of the Canadian Council of the National Industrial Conference Board.

Board of Health of the North Bay district ... **George Ketchel** (Denver) became Vice-President of the Industrial Denver Optimist Club ... **Jerry Don Smith** (Houston) was appointed to the Texas School Board Association ... **Bill Stubbs, C.L.U.** (Cleveland) was appointed General Chairman of the 1974 Partner

Member Campaign for the Cleveland YMCA ... Chuck Boskill, C.L.U. (Saskatoon) was elected Governor of the Western Canada Federation of the Cosmopolitan Service Club ... Rod Pennycook (Vice-President, Policyholder Service) became campaign Chairman of the Manitoba Division of the Canadian Association for the Mentally Retarded ... Jack Gibson (Branch Manager, Regina) was appointed a Director of the 1975 Western Canada Summer Games ... Bob Mansfield (Manager, Group Pension Accounting) became a member of the Manitoba Arts Council ... Eric Gullage (Branch Manager, Newfoundland) was elected to the St. John's City Council ... Willard Finberg (Branch Manager, St. Paul) became Vice-President of the University Club of St. Paul ... James Burns (President) was elected to a two-year term as a member of The Conference Board, an independent and nonprofit business and economic research organization operating in the U.S. and Canada; served on a mission to Washington, arranged by the Canadian Institute of International Affairs, to discuss future Canada-U.S. trade relations with U.S. ministers, congressmen and senior bureaucrats.

Introducing Mr. (or Ms.) Great-West Life, F.L.M.I., H.I.A.A., C.L.U., F.S.A., etc.

The scholars of '73 did their homework — often, with full blessings, on company time — and were rewarded with the right to put some meaningful initials after their names.

At Great-West Life's annual Awards Dinner held in November, two hundred and seventy-six "students" of Company-sponsored educational programs were in attendance and fifty-three achievers were individually recognized.

Among the notable achievers of the year were fourteen who successfully completed all examinations of the Life Office Management Association (LOMA) Institute, qualified as Fellows of the Institute, and earned the designation F.L.M.I. (This LOMA course is designed to give staff members a working background in life insurance and give career-minded staff the advanced technical training for a complete and practical understanding of the

various phases of life insurance and their relationships to each other. So highly does the Company regard this program that students are supplied with free text books, registration fees are paid, some time off from work for study is allowed and cash awards ranging from \$50 to \$100 are paid to those successfully completing parts of the course.)

Tuition Aid. The Company's staff development program also includes the courses offered by the Actuarial Society (which earn the initials A.S.A. and F.S.A.), the Chartered Life Underwriters Association (C.L.U.), the Health Insurance Association of America (H.I.A.A.) and the worth of these is also acknowledged by the Company in the form of continuing financial support.

Further courses leading to Registered Industrial Accountants certificates. Regular university degree courses are supported under Great-West Life's Tuition Aid Program which was set up in 1971. The program offers aid for any undergraduate or graduate degree courses which will help the employee-student in his or her present job — or jobs that transfer or promotion might take them to in the near future.

Everyone at Great-West Life actually participates in staff development programs — beginning at the very beginning. "Introduce Yourself to Great-West Life" is attended by all new staff members. Then comes "Training for Advancement" — general principles of life insurance, personnel policies, a brief introduction to computers. The "Secretarial Training Program" teaches tricks of this demanding trade, how to handle

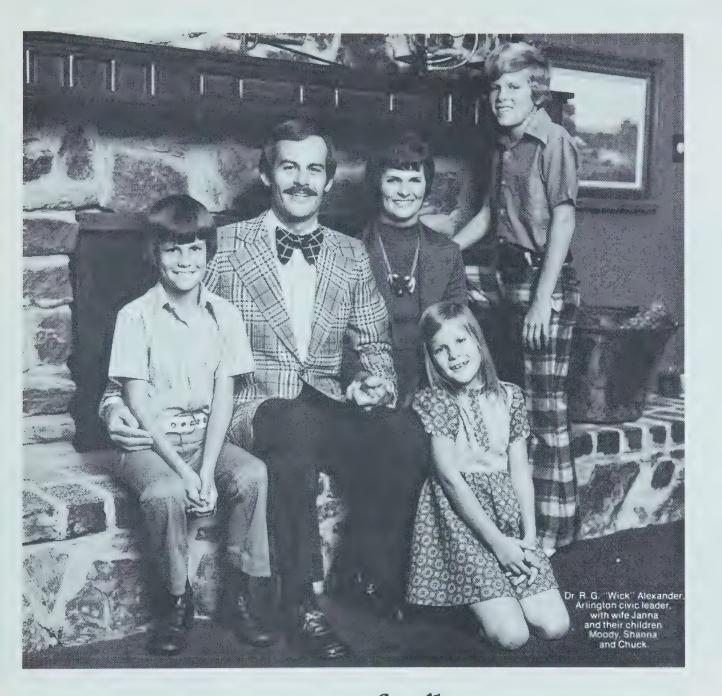
unusual situations that might arise, how to get along with bosses. "Senior Orientation Seminars" are held for new career employees training for senior responsibilities; "Section Head Training" develops and improves supervisory skills — which are then further nurtured by "Supervisory Seminars."

Most involved of all is "Officer Training," an on-going process which includes formal management and technical seminars, committee work within the Company and "outside" in the industry, special assignments, job rotation, and community service involvement.

It's all essential, according to Vice-President of Policyholder Service Rod Pennycook. In an address delivered at the November Awards Dinner, he underscored the need for the maintenance of a challenging and stimulating climate for staff development both on the job and through seminars and courses of study. He told the scholars in attendance: "If, in your management role, you can motivate the people working with you to achieve their full potential, you will not only be helping the Company, but more importantly, you will be helping your employees, our customers and, last but not least, yourself. One of the basic tenets of Great-West Life's Corporate Guiding Principles is our commitment to people with primary emphasis on employees and policyholders ... a large and complex organization that is rapidly expanding requires an ever-growing number of people who have proved themselves to be skillful managers of human resources."

VICE-PRESIDENT PENNYCOOK The training is essential.





"I want my family to get the full benefit of my estate. The insurance innovators from Great-West Life are helping me make sure that happens."

"Having spent so much of my life in school preparing for my chosen profession, little time was available to broaden my knowledge in other areas. As a result, I felt it was imperative that I surround myself with honest, competent advisers in law, accounting and insurance. Wally Smith of Great-West Life is the man who "put it all together" for me. Through his advice, my wills and trusts have been updated and he has provided me with the right kind of life insurance

to keep pace with my growing needs. I now have the confidence, through Wally, that in the event of my death, my Great-West Life coverage will take care of everything from business expenses to estate taxes. This is exactly the kind of security I want my family to have."

At Great-West Life we call ourselves the "Insurance Innovators" because we're always searching for new uses for life insurance. All our representatives are backed by "creative planning teams" to deliver comprehensive recommendations geared to specific client needs. Our business is to know your business and understand its problems.

Talk to the Great-West Life innovators. They'll help you with your business or personal estate problems the way they helped Dr. "Wick" Alexander.

Politics For All The People

One would think the lure of political office irresistable. Millions are spent in pursuit of the privilege of representing the people.

But the sad fact is that, for most citizens, personally campaigning for political office is a very resistable idea. Few can afford to give up a secure job to campaign full time during an election. And, for those who do, the risk is high — lose the election and the candidate may have to find a new job. The result is that most frequently only the self-employed and independently wealthy can afford the risk of taking to the hustings.

In 1973, Great-West Life changed all that for its employees and representatives in Canada. The Company announced a policy which will provide, on a strictly non-partisan basis, leaves of absence of 30 days with full pay to employees and representatives nominated as candidates, for elective office. Similarly, Company staff who take on major political positions during a campaign (such as managers for candidates, top party jobs, etc.) may be able to obtain a leave of absence.

Victorious candidates will be able to take a leave of absence without pay but which provides for the continuation of their company life and health insurance benefits and pension rights through the first full term of office up to a maximum of five years.

All leaves of absence guarantee the employee his or her job, or one of similar status and pay, on returning from political life.

Said James W. Burns, President, in announcing the policy: "We want to encourage our employees to participate in political activities on the basis of their own views and interests. We make no distinction as to party. It means that if one of our people through participation in his constituency's political activities becomes a logical candidate for elected office, he will know where he stands as far as his work at Great-West Life is concerned. This policy reflects the Company's recognition that the strength of our democratic institutions can only be maintained through active participation by people from all elements of our society."

Added Burns, "This measure of corporate support places Great-West Life among the relatively few companies which have adopted such a policy in Canada."

Perhaps if more Canadian firms provide this kind of non-partisan support, seeking political office will become a real possibility for all the people.

A Staggering Change

At Head Office in Winnipeg, some employees are coming and going as they please — with the blessing of their supervisors and the Company's Personnel Department.

Before 1973, the Head Office working hours were from 8:30 to 4:45 in the winter and from 8:00 to 4:00 in the summer. Now, both sets of hours are in effect as the result of a new system called "flexible" or "staggered" hours.

It all started when the Company discovered in the fall of 1972 that the summer hours of 8:00 to 4:00 were so popular a majority of staff wanted that time-frame for the winter too. However, for a not-insignificant-minority, the early-to-rise, early-to-home option was unpalatable. So in the spring of 1973, the Company decided to make both the early and late risers happy.

The initial choice of hours, 8:00 to 4:00 or 8:30 to 4:45 is up to the employee. Department managers are responsible for co-ordinating these choices in such a way that the department is "operational" from 8:00 to 4:00, and their staff put in a full working day's hours.

A few staff members have even been able to work out their own special hours, (such as 8:10 to 4:10 or 8:45 to 5:00 etc.) suited ideally to personal circumstances. Most staff members are happy with the new arrangement and for a variety of very human reasons. Samples:

"There's less traffic to fight if you come in early at 8:00 and leave at 4:00."

"I prefer to work the late option — you can get a lot of heavy concentration work done after 4:00 when the majority have left for the day."

"My wife likes it because I can pick her up at her office on the way home." "I have more time for shop-

"I hate getting up early in the morning — it's that simple."

"By coming early and, therefore, leaving early, I have enough time to get dressed and ready to go out on a date."

The Company is happy with the new flexibility. Says Personnel Officer Paul Kelly, "By putting the responsibility on managers to make the new system compatible with department needs, so far we've been able to avoid the tight controls usually associated with 'flexible'



PERSONNEL'S PAUL KELLY Avoiding tight controls.

hours. The employees are highly satisfied with it and that's a big plus for the Company, too. Finally, while our official hours are 8:00 to 4:00, in effect many departments are 'open for business' from 8:00 to 5:00 — our switchboard stays open until just after 5 p.m."

Asked about the trend to the four-day week, Kelly says that the Company has looked at it closely. "It sounds good — although we wonder if many would really like the longer hours this method imposes on the four working days. Providing our field offices and our policyholders with *full* five day service is a must and this makes it difficult to devise an efficient four-day system."

G INVESTMENT NEWS OF 1973

Now "Bonnie" Is Booming

When, in 1967, Place Bonaventure opened in Montreal, it was Canada's first trade centre. It incorporated a huge Exhibition Hall, a Merchandise Mart, Shopping Concourse, a Hotel, office space and parking garage. It was also Canada's largest building and local wags likened its massive appearance to France's infamous Bastille.

Much to the initial dismay of the financial backers of the venture -Great-West Life and Montreal Trust - potential patrons shunned the world's third largest commercial building as though it were, well, a prison. Manufacturers didn't rush to take space in the Merchandise Mart, shop owners clung to their long-time locations in the established shopping areas, and shoppers ignored a concourse whose dim lighting was augmented only at infrequent intervals by the bright display windows of a few "charter" merchants. The 200,000 square foot Exhibition Hall echoed hollowly with disuse.

The Hotel Bonaventure (atop the centre) was the one major bright spot in an otherwise gloomy picture. The 400-room hotel was an instant success. (It's not surprising. The hotel, run by Western International Hotels, boasts a two-acre rooftop garden, complete with flowers, waterfalls and 283 trees. It is widely rated as Montreal's best.)

Mind-opening. However, knowledgeable experts were convinced that the great grey elephant had great potential. It was the first building in Canada to be designed exclusively as a trade centre and offered a mind-opening amount of "space for rent" - 3,177,000 square feet. It loomed right in the heart of Montreal, only 29 minutes from the airport and 5 from the harbour. Underneath were the main transcontinental and commuter lines of the Canadian National Railways, directly adjacent was CP Rail's Windsor Station. Inside the building was a subway



CANADA'S LARGEST
Nearly 200 shops; 2,000,000 square feet of exhibiting space.

station and both the Trans-Canada Highway and the Bonaventure Expressway (main thoroughfare to Eastern Canada and the Northeast United States) ran alongside it.

So Great-West Life, the owner of the building and a company with "staying power," moved to improve the situation. At the direction of Great-West Life, Place Bonaventure Inc: arranged for management supervision by Trizec Corp. who in turn brought in Leo Goldfarb, a man with extensive experience in the retailing field, to provide the day-to-day management expertise and dynamic marketing thrust needed by the venture.

That was in 1969. The grey elephant soon began to brighten. And today its occupancy, profit and revenue figures are all up substantially.

Reporting on Place Bonaventure before the Great-West Life Board of Directors last August, Mr. Goldfarb noted that Place Bonaventure, including the five-storey Merchandise Mart with space for 1,400 tenants, will be approaching the sold-out category by the end of 1974. There will most likely be a waiting list of tenants and renewals will be at higher rates. The Mart now contains the largest concentration of clothes, footwear, toys, home and office furniture suppliers in Canada. Ninety percent of the Mart's tenants renew their leases as they come due, many of them increasing their space as

The retail areas are virtually 100% leased and will, in future, com-



LEO GOLDFARBRunning the big machine on all cylinders.

mand higher rentals. (The two-level Shopping Concourse now has over 150 shops.)

The garage operation is continuing to show progress. (There is inside parking for 1,000 cars, with adjacent outdoor parking for 4,000 more.)

Big Machine. Said Goldfarb: "The integrated concept of the different operations ... the Mart, the Concourse, the Exhibition Hall, the hotel, etc., into one big trade machine has now begun to operate on all eight cylinders.

"It is now obvious that any increase in leasing or promotional activity in any one area of the building has a marked beneficial effect on the other facets simultaneously. For example, Exhibition Hall (which holds the record for the number of people attending an indoor event in Canada on one day — 49,774 at the International Auto Salon) events benefit the hotel, the Concourse and restaurants and, on many occasions, the Mart. Hotel conventions certainly build sales in the retail area, and so on."

The times have finally caught up with a building that was ahead of its time.

NEW INDOOR RECORD



In British Columbia, An Interior Boom

Prior to 1973, the British Columbia investment portfolio of Great-West Life read much like that of any other large investing firm insofar as location of investment. About eight times in ten, the location was Vancouver; Victoria was it about once in ten; the entire remainder of the province comprised the other one in ten.

During this last year, however, a dramatic shift has taken place. Great-West Life investments took on this configuration: about 50% in the smaller British Columbia communities, most of which are located in the interior, with many of them having names that sound familiar to only their own residents — such as 100 Mile House, Williams Lake, Hope, Fort St. John, Nakusp.

Well-known they may not be, but thriving they are. "We decided early in 1973 that investment opportunities in the small interior communities were excellent," says Jim Green, Great-West Life's Manager of Property Investments for British Columbia, "and determined that more balance — between the big urban centres and the small regional centres — was needed in our B.C. investment portfolio."

So into 100 Mile House, for example, located — despite its name — 290 road miles north of Vancouver, went Great-West Life investment dollars to finance the purchase of a 44,360 sq. ft. enclosed mall shopping centre.

The 100 Mile House shopping centre contains the only major department store within a 100-mile radius, a bank, a drug store, the usual complement of shopping centre shops and paved parking for 306 cars. Twelve thousand people live in the trading areas, their disposable income coming mainly from ranching and the forest industry.

In Terrace (90 miles east of Prince Rupert) Great-West Life purchased and leased-back a supermarket valued at well over \$300,000 and boasting a bright future — Terrace is "town" for 83,000 Skeena River Valley dwellers and itself has a population of 14,500. Other supermarket and shopping centre investment transactions have taken place in Fort Nelson, Duncan, Williams Lake, Hope, Fort St. John, Campbell River, Kimberly, Nakusp and Kamloops.

Another Great-West Life investment in Fort Nelson, the service centre for the entire Peace River-Laird Region of northern British Columbia, is funding for the Fort Nelson Gas Company. And in Prince George, Great-West Life money backed a much-needed new medical centre.

In total, Great-West Life's disbursements and new investments in the interior of British Columbia in 1973 amounted to about \$10,000,000 – a booming sum.

SUPERMARKETS, A GAS COMPANY AND THE ONLY DEPARTMENT STORE FOR A HUNDRED MILES





"I'm too busy to know the ins and outs of tax shelters and retirement plans. I let the insurance innovators from Great-West Life handle that."

"It's true. The first time my Great-West Life agent, Jerry Parsons, came into my store, I was too busy to talk to him. You want to talk money, talk to my accountant I said. He did. And my accountant was so impressed with Jerry's presentation on tax shelters and retirement income he told me: 'You should see this guy. Quick!'

see this guy. Quick!'
"And I did. Jerry and the 'creative planning team' from Great-West Life

showed me how a Deferred Profit Sharing Plan could save my company tax money, and help me prepare for retirement at the same time. Just what I needed.

the same time. Just what I needed.
"Jerry Parsons did a great job handling all the details. Both he and my accountant arranged everything. Which is the way I like to do business. Especially if it saves me money."

At Great-West Life, we call ourselves the "Insurance Innovators" because we're

always searching for new uses for life insurance.

Talk to the Great-West Life innovators. They'll help you solve your business and personal estate problems the way they did for Alan Cherry.

Earnings From Learnings

Most of the assets of any life insurance company are invested in traditional, sound money-makers: bonds, mortgages and, to a lesser extent, common stocks and real estate. Reason being, of course, that the first objective of the investment program must be to gain a good return — so the company can meet its future obligations to policyholders, provide them with substantial dividends, and keep the price of its products low.

Sometimes, through skillful investigation and "20-20" foresight, a company can ferret out unique, venturesome and exciting investment opportunities beyond the traditional areas — and still obtain a good return

One such opportunity came along in 1972 and Great-West Life was quick to seize it, acquiring a maxinterest in "Mini-Skools Limited." (The Company now owns 30% of the common stock and a large holding of preferred stock.) In 1973, Great-West Life loaned Mini-Skools Limited substantial funds with which to undertake an expansion program.

Mini-Skools is one of the largest child-care companies in North America, with 25 "Skools" in the United States and Canada now and development going on that will result in more than 40, serving well over 10,000 children, being in operation by the end of 1974. And plans have been made for expansion even beyond that.

Well-Managed. Ken Dawson, Great-West Life's Property Investment Research Officer, and Stan Susinski, Bond Investment Officer, who sit on the Mini-Skools' Board of Directors, tell why this unusual acquisition meets the prime objective (good return) of an insurance company's investment program: "To date, it's been a sound investment and, very satisfyingly, we think Mini-Skools are fulfilling a vital social need of the 1970's. Mini-Skools Limited has expanded rapidly and will continue to grow. However, because the concept was well and very carefully thought out — and because the 'business' side of the operation has been well-managed — it has *not* been haphazard, costly growth. This attention to detail has made Mini-Skool services competitive in rates and, at the same time, profitable."

What is the well-thought out concept, what are the services, what, indeed, is Mini-Skool all about? Here's the story:

Working Mothers. In the late 1960's, a group of Winnipeg businessmen saw a new trend developing,

FINE FACILITIES, LOWER RATES

deduced a need — and discovered that few were attempting to fulfil it.

The trend was the continuing tremendous increase in the number of working mothers — there had been nothing like it since World War II. Looking further, they saw that there were some 28 million children under the age of 18 with mothers in the work force — six million of these children were under the age of six. There was the need. Who's taking care of these six million children while their mothers work, how are they being cared for? The answer in most instances: part-time babysitters or minimum service day-care centres. Few children had even the opportunity to get professional, development-oriented day-care.

These Winnipeg entrepreneurs were convinced that a combination of sound business practices, fine facilities and professional service would be a highly marketable item. They put the combination together and called it Mini-Skool.

Prototype. In 1970, Mini-Skools hired John Christianson as president to develop and launch the first Winnipeg Skool. Christianson, 50, was a former cabinet minister in the Manitoba government, business entrepreneur, and teacher (and is a man with an interesting educational background in his own right with

LOVING, EMPATHETIC CARE





"How does a young businessman like me save money on taxes? With the insurance innovators from Great-West Life, that's how."

"Before I was a businessmen, I had a hang-up with life insurance. I didn't believe in it!

"But with my business growing the way it has, I soon learned that life insurance has more to offer than death benefits. Howard Dawson, my Great-West Life agent and the 'creative planning team' from Great-West Life showed me how life insurance can save money and provide for business expansion at the same time.

"I learned that personal life insurance can be used as collateral for bank loans. This was an important source of capital for me when I was planning new business ventures. Howard and the 'creative planning team' also suggested a Deferred Profit Sharing Plan, tax-deductible to the company, as well as a Registered Retirement Savings Plan — which saves me tax dollars personally. Not that I plan to retire yet. At least not for a long, long time."

At Great-West Life, we call ourselves the "Insurance Innovators" because we're always searching for new uses for life insurance

Talk to the Great-West Life innovators. They'll help you solve your business and personal estate problems just as they helped James R. Moder.



DEVELOPER CHRISTIANSON

university degrees in educational counselling and mechanical engineering).

The first Skool, with 242 positions, was opened in December as a prototype. In it, the "Mini-Skools concept" was tested, revised, retested and honed to its present shape — a unique place for children that provides the elements of good nursery school programming, plus the higher levels of care required for children who stay all day.

"The backbone of our programs" says Christianson, "is the Bridge to Reading' pre-school curriculum developed by General Learning Corp. in the United States. It's a warmly informal, phonetically-based reading readiness program and consists of eight volumes of resource materials. They cover a variety of nursery school activities, all of which are keyed around an alphabetic soundof-the-week. Structured learning activities for language and skill development, and a variety of open play activities reinforce the sound-ofthe-week theme."

The Skools' reading readiness program is supplemented by special "Theme Weeks" — the children's activities are focused on a calendar event such as Thanksgiving, or to a social or fun theme like "Space Week" or "Western Week."

Top Staff. The basic care aspects of Mini-Skools — lunch, nap times,

infant and toddler development activities — also benefit from a highly professional approach. It puts prime emphasis on a high level of loving, empathetic, and personal attention.

The backbone of both the educational and basic care sides of the Mini-Skools program is a comprehensive staff training program. Mini-Skool staff training is administered by a regional program director. The training program is highly regarded in the field. In fact, some universities and community colleges pay Mini-Skools a fee to have their students assist as staff aids in the Skools. This reputation (and a widespread surplus of teachers) has also given Mini-Skools the advantage of real selectivity in its staff recruiting. This fact, in combination with the training program, has enabled Mini-Skools to offer an exceptional level of professional child-care

The typical Mini-Skool has a capacity of 150 positions which, with a combination of roughly 80% allday and 20% part-time, means it enrolls over 200 children. Next to the high level of service provided, the major factor in the success of Mini-Skool in the child-care field has been its efficiency. Despite the fact that it is a profit-making organization, Mini-Skool's rates, like those of other professional child-care facilities, are

usually lower than those of "Mom and Pop" nurseries and babysitter fees. They average less than 50¢ per hour. In fact, when a major Canadian city's Welfare Department recently established a day-care subsidy for working mothers, the subsidy proposed was higher than the Mini-Skools' rate. (Child care seems to be one area where private enterprise can very definitely hold its own against publicly-run competition.

In 1973, Mini-Skools added a new service: day-care for children down to six weeks of age. This exclusive service is also offered evenings and overnight on week-ends at many of the Skools.

The result of all this: tremendous growth. Two Skools now operate in Winnipeg. Seven have been opened in Toronto and Houston. Five have opened in Atlanta, three in Louisville and one in Lexington. Three more will soon open in Atlanta, one in Louisville, and Mini-Skools' 1974 expansion plans include Toronto, Houston, Cincinnati, Columbus and beyond that, sites in several other major urban centres are being actively pursued.

Mini-Skools — not your typical life insurance company investment. Perhaps because Great-West Life is not quite your typical life insurance company.

THE WINNIPEG PROTOTYPE



G --- POLICYHOLDER SERVICE NEWS OF 1973

Computer In Head Office Now Serves Policyholder Service Office In Same Building. Big Deal?

In 1973, computer terminals were installed in the Winnipeg-area Policyholder Service Office, located on the second floor of the Head Office building. These now give instant access to Great-West Life's IBM System 370/155 Computer — located on the fifth floor of the Head Office building. A big deal? Perhaps not for today, but the installation is the forerunner of radical changes in policyholder service that will affect everyone in a few years.

Like the Comet Kohutek, the coming of the computer age has been widely heralded. For years now, television documentaries and magazine articles have been saying that in no time North Americans will be plugged into computers at home and on the job – housewives with instant access to the recipes of their choice and able to do the weekly food shopping without venturing from the kitchen table; teenagers doing their homework by calling up computer calculations to solve math problems, all the information needed for a History term paper on the War of 1812 available at punch-of-a-key speed. The computer as 20th century Alladin's lamp.

But, again like the Comet Kohutek, the computer's impact has been more heard of than seen. Kohutek was, nonetheless, out there. Similarly, while computer technology may not be as fast in coming in obviously noticeable ways, it is there.

There are basically two reasons why the "future shock" of computers has been less shocking than predicted.

Hidden Revolution. The computer has been revolutionizing the business world, but it has been



MEMORY BANKS STORE VITAL RECORDS

largely an internal corporate revolution. Example: the latest compact cars in dealer showrooms have probably been built in largely computerrun factories; their engineering and design may have involved extensive use of computers. But to the consumer in the showroom, they're still just cars. Similarly, since the 1950's, all large life insurance companies, Great-West Life included, have in-

stalled and replaced a series of increasingly sophisticated computers, each time gaining extra capacity to store the vital policy records of millions of clients in memory banks. To the owner of the life insurance policy, no impact has been readily visible. (There has, however been a big impact on his pocketbook. Due in part to cost savings effected by using computers, life insurance prices

have remained stable, or even dropped, in an age when just about everything else has gone up in price.)

The other reason why the impact of technology is heralded long before it arrives is cost. Man indeed knows how to wire the world. Man knows how to make the computer a part of every home, but he has yet to figure out how to finance this revolution. (Man's greatest technological achievement - manned space flights to the moon — cost tens of billions of dollars. Man can now probably go on to Mars as well, but one suspects that largely for reasons of cost, NASA's "Viking" flights to Mars, scheduled for lift-off in 1975, will be unmanned).

Cost Barriers Lifting. In the last few years, however, major cost breakthroughs have made it safe to predict a much faster rate of growth in providing computer-based services to consumers, and, in particular, to Great-West Life policyholders. We are on the threshold of a tremendous expansion.

The "computer terminal" is the key device in this expansion. It allows one to call upon a central computer facility to provide data, make calculations, or record new information in its memory banks. Until the late sixties, the only terminal available for a computer was, basically, a simple typewriter. This put a severe restriction on just how much one individual could directly make use of the computer's memory and calculation capacities. Then came the combination television screen/typewriter keyboard terminal. This meant the computer could display information instantly on request on a terminal screen for quick, easy reference. In 1973, a television/typewriter terminal with the added ability to store information and demand calculations of its central computer was marketed at an even lower cost than previous terminals.

There has been another major cost barrier, however. Information transmitted from computer terminals to computers, and vice versa, has been sent over regular telephone lines in both Canada and the United States. So the use of terminals hundreds, or thousands, of miles from a central computer was much too costly for most transactions. (Regular mail service is much slower,

but less expensive than long-distance phone lines.)

A Canadian satellite named ANIK changed all that. Sent up in 1972, ANIK I was the first communications satellite to serve North America. Today ANIK satellites carry all kinds of transcontinental voice, tv, and data traffic. The satellites, paid for by Canada's telephone companies, have also given Canada a successful "digital" transmission data network - in other words, the country's computer can talk to other computers and to their terminals through this special communications network at a very low cost. "Line" charges have gone down 50% to 90%! While not yet available from the telephone companies in the United States, this system should soon be installed there.

So suddenly it's all there, in Canada at least — highly reliable, versatile and relatively low-cost computer terminals and low transmission rates allowing terminals to be installed in cities distant from Great-West Life's Winnipeg Head Office.

Another communication device now commercially feasible is the "facsimile reproducer." It allows direct transmission of full-page copies of documents from one city to another.

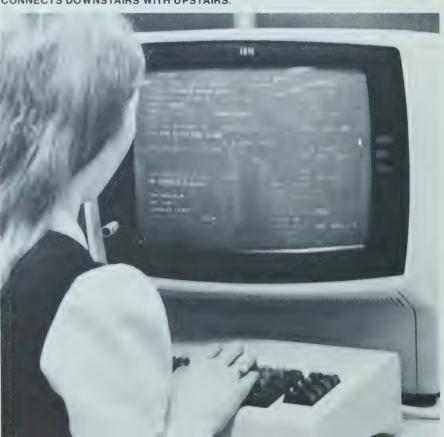
Same-day Service. With these innovations, the day may come when major Great-West Life marketing offices will be plugged in directly to the Company's central computer. Indeed, lightweight mini-terminals that fit into a briefcase, and can be connected to a central computer through a regular household telephone, are now being marketed. It's not inconceivable that the sales representative of the nearfuture, while calling on a client, will also call upon the computer — using this device to get instant detailed projections for the client.

If the client signs an application for insurance, the representative will drop in at his office on the way home and send the application to the Head Office by fascimile transmission. Next morning, he can pick up the new policy form — it will have been transmitted by the computer to his office and produced there by a computer print-out machine.

Similarly, one-day or same-day service will be available to policyholders who want information or wish to make a change in their poli-

Claims service will be speeded up as evidence needed to substantiate a claim may be sent direct by facsimile transmission instead of through the mail.

CONNECTS DOWNSTAIRS WITH UPSTAIRS.



Financial dealings between Great-West Life and its policyholders will also be revolutionized. Premiums will be paid when a local bank's computer tells Great-West Life's computer that the money has been credited to the Company. The Great-West Life computer will immediately record it as paid. No more, the mutually frustrating letter traffic that now sometimes results when premiums go astray in the mail.

New Service Systems How far away is this "instant service" era? It won't happen tomorrow, but in the decade ahead it will become available to more and more Great-West

Life policyholders.

In 1973, the Company installed computer terminals in its Winnipeg-area Service Office located in Head Office. Because of the already-existing "closeness" to Head Office of the Winnipeg Service Office, there was no large "time saving." But, it did give the Company an excellent opportunity to test equipment carefully and work out new service systems.

In 1974, Great-West Life's United States Marketing Headquarters in Denver will expand its computer terminal facilities and by October the Denver office will be processing all premium payments from United States policyholders.

By the end of the 70's, nearly all the Company's major offices could be hooked in to the central computers.

What's the rush? - "instant" or one-day service may not be all that necessary. Realistically, most people have enough patience – reasonably swift service satisfies them completely. But, "time is money" and faster service to policyholders will also mean a saving in Great-West Life's operating costs — a direct and immediate saving to policyholders in the form of policy dividends and, therefore, lower-cost insurance.

It's a kind of "future shock" one can take!

The Concern Is How, Not How Much

The sum paid out by Great-West Life in 1973 to satisfy death claims was predictably large: \$59,905,829. (Surprising to many will be the news that this was not the biggest payout - accident, disability and health care benefits paid amounted to \$94 million.*)

But however high in the millions the figure may be, or where it ranks in importance in company disbursements, the "how much" of death claims dollars is not nearly so perturbing as the "how" of death.

The Great-West Life computer coldly prints out this type of year-end

Claim #198,332; age at death -36; time since policy purchased -6.5months; face value - \$100,000; cause of death - motor vehicle accident.

Claim #100,375; age at death -52; time since policy purchased – 5 months; face value - \$23,000; cause of death — cancer.

Claim #199,240; age at death -38; time since policy purchased -5.5months; face value - \$38,000; cause of death - heart disease.

The machine can handle the figures without feeling. Dr. Bob Beamish, Executive Officer, Underwriting and Medical for Great-West Life, can't.

"I've been a doctor for 31 years now and I suppose by now I should be able to simply look at Great-West Life's year-end death claim summaries analytically, without any emotion," says Dr. Beamish. "Perhaps I could, if most of them were

the result of a long life coming to a natural end or the unpredictable, unavoidable act of fate. But they're not! The fact is the largest causes of death amongst out policyholders are, in large measure, preventable causes."

Beamish's department closely analyzes the year's death claims, then ponders their import. Here are the melancholy statistics of death, 1973, along with a distillation of the observations and recommendations of Beamish and other authorities on the subject of it spreventable causes:

Heart. The major cause of death to Great-West Life policyholders: heart attacks and related diseases of the circulatory system. They accounted for almost 39% of the total deaths. Nationally, this is the number one killer amongst males over age 39; over age 50, it accounts for almost 40% of all male deaths. In total, heart disease kills some 78,000 Canadians and 750,000 Americans every year. Close to 20% are what could be called "premature" heart attacks - before

Heart disease is not completely preventable, but a great deal can be done to reduce its toll in lives and disability. People tend to think of a heart attack being precipitated by some shocking event - some sudden tremendous physical or emotional strain. However, the heart attack is only the last act in a chain of events. High cholestrol in the blood from eating too many fatty foods, cigarette



DR. BEAMISH The How Hurts.

smoking, lack of exercise, stress and high blood pressure are the real causes. In short, largely bad diet and bad habits — and therefore, a largely preventable disease. Disturbingly,

* Total benefits money disbursed during the year was \$273 million. The remainder: annuity payments (providing, by and large, retirement income) of \$31 million; for policies matured or surrendered for cash value, \$60 million; earnings (or profit) distributed to Participating Policyholders as dividends, over \$20 million.

the trend in recent years has been to an increasing incidence of heart disease amongst the young.

Cancer ... and Cars. The second major cause of death revealed in a study of Great-West Life claims is cancer. Last year, cancer accounted for one in every six claims.

Here, Great-West Life's claims don't reflect total national statistics. Across Canada and the United States, accidents are the number two killer, with motor vehicle accidents being by far the largest single factor. Over 60,000 die every vear on our highways. And it's the young who are being lost. In fact, in the age range of 20 to 24, almost half of all deaths are from car accidents. In contrast, by age 40, car accidents rank fifth and account for less than 10% of deaths.

Cancer, unlike heart disease is, to a large extent, more controllable than preventable. The major preventative step that can be taken is to not smoke. Smoking is clearly and irrefutably linked to cancer of the lung, and to the less-common cancers of the throat, nose, mouth and even of the bladder. The major control step is simply early diagnosis and treatment. Unfortunately, many people fail to have regular medical check-ups and some even refuse to acknowledge symptoms when they arise, no doubt due to fear. Many cancer deaths could have been avoided through prevention (not smoking) and control (early diag-

Car accidents are often just that, "accidents" - tragic and unavoidable. More often, they're the result of a heavy foot, lack of concentration, or alcohol impairment. Still tragic ... but avoidable! Defensive Driving programs, especially for youth (perhaps compulsory with the issuance of a driver's licence), a continuing vigilance by the law aimed at impaired driving, safer highways and sane speed limits ... these are part of the prevention solution. But because bad habits usually start early in life, and because accidents are killing more Canadian and American youths than any war ever has, the road to prevention starts in the home.

Suicide. Another grim and increasingly alarming statistic: the increasing suicide rate amongst youth. At one time it seemed most suicides were in older age groups: lonely people, unsuccessful businessmen, depressed housewives. The "lovers leap" idea was romantic, but not too common in reality. Today, suicide is second only to car accidents as a mortality factor with youth. (And accident investigators think many deaths listed as motor vehicle accidents are, in fact, suicides. When a driver plows directly into a concrete abutment it's impossible to say whether he was momentarily distracted, or aiming for it ... but not infrequently, investigation reveals the victim of this type of accident had previously indicated to friends or relatives a desire to "end it all.")

The establishment of distress call centres in most major urban centres is a fact today. But suicides are due to the impression, true or false, that "no one cares." If someone does care, and that singular fact registers with the depressed individual, then there's a better chance it won't happen.

This is easy to say, hard to put into practice ... especially with men. It's estimated that three times as many women attempt suicide as men. Women tend to show emotion more than men. Men play the role of the strong individual — keeping emotion pent up. The result: despite the fact that women attempt suicide most, about three times as many men actually "succeed" in committing

Help. Great-West Life does what it can to alleviate the bleak situation revealed in its death claim summaries by putting money behind worthwhile and liable-to-be productive preventative activities.

One major form of Company assistance is grants for such diverse projects as: summer research by medical students, major institutional medical research fund drives, hospital appeals. The Company also began funding its own on-going medical research program in 1973.

Great-West Life also shows its concern in smaller, but still pertinent, ways — for example, the Company's dietician ensures that the Great-West Life staff cafeteria offers wellbalanced menus for normal diets as well as a good selection of options for people on special health diets.

Every little bit helps and anything possible is worth doing in the vital preventative war which must be waged.

Great-West Life ASSURANCE COMPANY

MARKETING OFFICES

Kelowna, 201-1610 Bertram Street, K. H. Wyse, New Westminster, 321-6th Street, P. C. Gold, CLU; Prince George, 602-550 Victoria Street, M. S. Kosteck, Vancouver, 930-One Kelowna, 201-1610 Bertram Street, K. H. Wyse, New Westminster, 321-61h Street, P. C. Gold, CLU; Prince George, 602-550 Victoria Street, M. S. Kosteck, Vancouver, 930-One Bentall Centre, J. S. Cameron, CLU, 980-One Bentall Centre, N. M. Bowman, Victoria, 1204-1175 Douglas Street, R. C. Brown, Calgary, 405 Bentall Building, J. H. Glover, CLU; Edmonton, 1220 Royal Bank Building, J. H. Glover, CLU; Edmonton, 1220 Royal Bank Building, G. E. Johnstone, 900 Imperial Oil Building, D. W. Lawton, CLU; 818 Royal Bank Building, J. A. Nichol, Regina, 655-2625 Victoria Avenue, J. B. Gibson, CLU, Saskatoon, 230-22nd Street East, C. K. Thompson, CLU, Brandon, 400 Royal Bank Building, L. W. Levasseur, Winnipeg, 801-310 Broadway Avenue, R. S. Abbott, CLU; 703-310 Broadway Avenue, J. D. Green, 1100 Richardson Building, W. A. Maycher, CLU; 1100 Royal Bank Building, R. E. Williams, CLU, Hamilton, 13th Floor, Pigott Building, J. S. Black; 810 Terminal Towers Building, R. K. Giuliani, CLU, 10th Floor, Pigott Building, J. B. McLean, CLU; Kitchener, 408 Dunker Building, R. B. Neufeld, CLU; London, 200 Queens Avenue, R. Hysen, CLU, Mississauga, 105-77 City Centre Drive, T. A. Glista, CLU, Ottawa, 75 Albert Street, B. J. Combios, 304-60 Queens Street, J. Dryden, CLU, 1900 Varette Building, J. R. Saint, CLU, Peterborough, 2nd Floor, 311 George Street, L. Ricchardt, CLU, Sudny, 202-124 Cedar Street, W. J. Bailey; Toronto, 14th Floor, Richmond-Adelaide Centre, J. R. Ross, 1510 Carlton Tower, R. N. Bowden, CLU; 211 Consumers Road, M. J. Katzman, Windsor, 1015 University Avenue West, W. H. Jackson, CLU, Monties, 164-2 Place Quebec, N. Lavoie, S. Klivas, CLU, J. George, 164-2 Place Quebec, N. Lavoie, C. Klivas, C. L. L. Lethorde, 6. Mercier; 311-One Westmount Square, G. Sklivas, CLU, University, Avenue West, W. H. Jackson, CLU, Monties, 164-2 Place Royale, D. Lefebvre, CLU, Saint John, 35 Charlotte Street; Halifax, 422-5251 Duke Street, J. G. Gray, CLU; St. John's, 2nd Floor, K-Mart Plaza, E. A. Gullage, CLU, Charlottetown, 57 Queen Street, Hy Charlottetown, 57 Queen Street, Hyndman & Company Limited

UNITED STATES

Charlottetown, 57 Queen Street, Hyndman & Company Limited UNITED STATES

Phoenix, 207 Labrucherie Building, J. D. Larkin; 208 Labrucherie Building; Los Angeles, 1300-3810 Wilshire Boulevard, R. G. Benter, CLU; Fresno, 157-1300 East Shaw Avenue, R. W. Kinghorn, San Jose, 546 San Fernando Building, San Francisco, 3550 Bank of America Center, E. F. Cella, 1105-650 California street, R. E. Sherman, CLU; Santa Ana, 300-1020 North Broadway Street, T. J. Bernardy, CLU, Denver, 900 Grant Street, R. H. Perkins, CLU, Hartford, 312-100 Constitution Plaza, M. C. Olson, 300-100 Constitution Plaza, W. C. Olson, 300-100 Constitution Plaza, S. W. Reed, CLU, Chicago, 1030 LaSalle Bank Building, R. F. Fritsch, 2424 One IBM Plaza, D. A. Gravett, 1035 LaSalle Bank Building, E. D. Tripple, CLU, Peoria, 401 Security Savings & Loan Building, G. D. Burton, 419 Security Savings & Loan Building, R. A. Maris, Indianapolis, 345-6100 North Keystone Avenue, J. T. O'Neal, CLU, Baltimore, 400 Investment Building, Towson, J. R. Bixler, CLU, Detroil-Saginaw, 24245 Northwestern Highway, Southfield, J. C. Matthies; 2166 Penobscot Building, A. F. McLaughlin, Grand Rapids, 480 Union Bank Building, J. L. C. Furniss, Jr.; Minneapolis, 165-6800 France Avenue South, J. G. Mulheran, St. Paul, 1205 Pioneer Building, Z. W. Finberg, CLU, St. Louis, 1610-7777 Bonhomme Avenue, B. M. Friedman, CLU, East Orange, 9th Floor, 141 South Harrison Street, C. R. Slatnick, Fargo, 614 Gate City Building, O. R. Lindgren; Cincinnati, 390 Formica Building, J. F. Horan, Cleveland, 1325 Investment Plaza, F. E. Diulies; Columbus, 250 East Town Street, D. E. Clark, CLU, Portland, 1600 South-West Fourth Avenue, G. D. Elonka, CLU, Portland, 1600 South-West Fourth Senate Office Building, V. L. Beck, CLU, Seattle, 400-108th North-East, Bellevue, L. E. Brannen

POLICYHOLDER SERVICE OFFICES CANADA

Vancouver, 225-1155 West Georgia street, B. W. Wood, Winnipeg, 60 Osborne Street North, R. W. Cunnington, Toronto, 14th Floor, Richmond-Adelaide Centre, P. A. Batt, Montreal, 28 Edison-Place Bonaventure, J. G. Leblanc

UNITED STATES

Los Angeles, 1300-3810 Wilshire Boulevard; Chicago, 1246 Los Angeles, 1300-3810 Wilshire Boulevard; Chicago, 1246 LaSalle Bank Building Detroit, 24245 North Western Highway. Southfield. Grand Rapids, 480 Union Bank Building. Minneapolis, 165-6800 France Avenue South. St. Louis, 1610-7777 Bonhomme Avenue. Newark, 9th Floor, 141 South Harrison Street, East Orange, N.J., Columbus, 250 East Town Street, Dallas, 3636 Cedar Springs Road. Seattle, 400-108th Avenue North East, Bellevue

GROUP BENEFIT PAYMENTS OFFICES

Vancouver, 980-One Bentall Centre, Mrs T. L. Pattle, Winnipeg, 703-310 Broadway Avenue, D. W. Becker, Toronto, 110 Eglinton Avenue West, K. E. Neely, Montreal, 560-Two Place Ville Marie, P. Plante, Sydney Shopping Centre, L. D Lovett

UNITED STATES

Los Angeles, 1300-3800 Wilshire Boulevard, L. Patzer San Francisco, 3550 Bank of America Center. Miss A. Miller, Chicago, 1301 LaSalle Bank Building D. Paterson, Peoria, 300 Security Savings & Loan Building, Mrs. M. E. Miller, Detroit, 2166 Penobscot Building, Miss E. M. Josephson, Minneapolis, 165-8800 France Avenue South, Miss K. P. Scott, Columbus, 250 East Town Street, Mrs. J. Markin, Portland, 851 Portland Center-Boise, Miss J. Carns, Philadelphia, 2000 Market street, Miss. M. Paul, Dallas, 3636 Cedar Springs Road, Mrs. J. Keenan, St. Louis, 1610-7777 Bonhomme Avenue, V. C. McCluer



"We thought we had our business protected. But the insurance innovators from Great-West Life set us right in a hurry!"

"Sure we had life insurance on each other's life, but we never had a legal buy and sell agreement drawn up to protect

"That's like having no protection at all, Great-West Life agent Harry Rouch told us. So Harry advised us to retain a lawyer to work out a formal buy and sell agreement — while he was revaluating our insurance needs. And we're glad he did, because our business had grown so fast we required a lot more life insurance protection to secure the interests of ourselves and our families. Without Harry Rouch and the 'creative planning team'

from Great-West Life, we would have been badly under-protected.

"One unique aspect of our agreement is the Disability Buy-Out feature. If one of us should become permanently disabled, a Disability contract, owned by the company, provides enough funds for the able partner to buy out the disabled partner's share of the business. Now that's what we call a complete protection plan."

At Great-West Life we call ourselves the "Insurance Innovators" because we're always looking for new uses for life insurance. All our representatives are backed by "creative planning teams" to deliver comprehensive recommendations geared to specific client needs. Our business is to know your business and understand its problems.

Talk to the Great-West Life innovators. They'll help you solve your business and personal estate problems the way they did for Blake Stephens and Virgil Morgan.



AR33

REPORT PORTOR

A Supplement to the 86th Annual Report of The Great-West Life Assurance Company



Our people know the value of performing arts



Through the years many employees of Great-West Life have recognized the need to serve the community we live in. They know the benefits of the performing arts to the enrichment of our communities and to the development of our children. Through their own efforts and on their own time, our people assist with and perform in many of the cultural programs of our city.

As a company, Great-West Life supports many cultural organizations which benefit our community. That is something of which we can be proud. But we're especially proud of the way our people participate on an individual basis.

ALF STEPHENS, C.L.U. — Music has always been a favourite pastime with Alf Stephens. Although he had no formal training, through the years his involvement has grown from a pleasurable diversion to active participation in Winnipeg's music scene. From directing the church choir at St. Joseph the Worker Parish to singing with the Winnipeg Philharmonic Choir, and then to becoming a member of the chorus of the Manitoba Opera Association productions, Alf has devoted countless hours to his love of music. A veteran of over a dozen operas-to-date, Alf looks forward to yet another season in which to participate in the community's cultural arts.

Alf is a life insurance agent at Great-West Life's Winnipeg Royal branch.

Great-West Life

ASSURANCE COMPANY



President's Message

Great-West Life's 86th Annual Report, to which this magazine is a supplement, records in the Director's Report and Financial Statements the favorable results achieved in 1977 for both policyholders and shareholders.

- Sales recorded a new high as the market for the Company's range of financial services remained firm.
- Net investment income increased significantly.
- Mortality experience remained favorable for both individual and group life insurance policies.
- There was an improvement in the health insurance line of business.

There is, however, another factor which, while difficult to portray in the financial statements, contributed in large measure to the year's results. I am referring to the increasing effectiveness of Company personnel both in the Head Office and throughout our field organization. It's this element that is so vital to growth and development in a complex, fast-changing and highly-competitive business environment.

In this magazine, the stories are about our people and their work. I think you'll find there's great diversity of activity portrayed — but through these dozens of stories, there's one common thread: a dedication to service, a spirit of performance, a striving for excellence. They show something of the manner in which the people at Great-West Life work to improve their capacity to manage the affairs of the Company more effectively. I am both gratified and encouraged by what I see, not only in terms of our current position but, more importantly, in terms of our long-run goals of growth and profit.

JW Burns President

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The cover: "Summer Owl," a stone cut print by Inuit artist Kenojuak, is one of 111 pieces in the complete collection of her works recently acquired by Great-West Life.

Report, a supplement to the Annual Report, is published by The Corporate Communications Department of The Great-West Life Assurance Company, 60 Osborne St. N., Winnipeg, Manitoba, Canada, R3C 3A5.

Nearly Three Million People Covered

Business in Force Tops \$40 Billion

For the tenth consecutive year Great-West Life recorded sales of over a billion in insurance protection. In fact, a record \$6,013,276,000 billion of new business was placed with close to a quarter million people benefiting from this new coverage.

(It took 77 years for the company to attain its first billion dollar sales year, another four to hit \$2 billion and another four to reach \$4 billion, just two years

ago.).

The company's field organization of 1,000 representatives backed up by 2,500 employees pushed Great-West Life's total business in force up 16% in 1977 to reach \$40,616,597,000, placing the company well in the forefront of North American life insurance firms (see p. 7). 227,000 New Customers — Almost 32,000 individual life insurance policies were sold in 1977, with an average face value of \$35,318. This compares with an average protection per policy in the previous year of \$32,502.

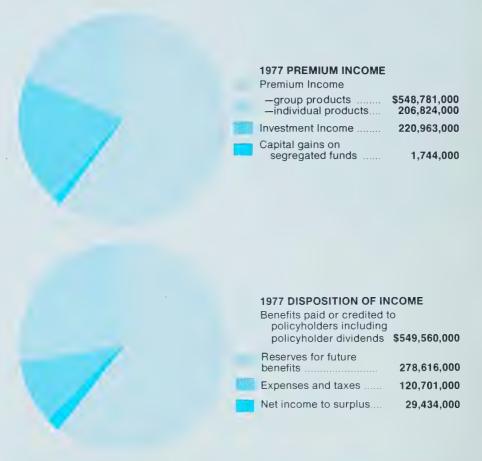
Group insurance accounts for a large segment of Great-West Life's activities and in 1977, 967 businesses, associations or unions chose to insure their employees with Great-West Life. These new plans provided coverage for over 186,000 people, with the amount of protection on each individual averaging \$17,320. About 9,000 people will be provided with future income under the individual and group annuity plans placed last year.

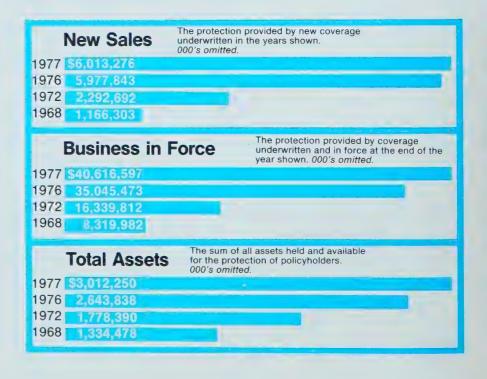
In total, by the end of 1977, Great-West Life had 441,000 individual insurance plans in force, and approximately 2,300,000 people were covered by over 4,500 group insurance plans. Over 34,000 individual annuities and more than 3,000 group annuity plans from Great-West Life provide retirement income security for 194,000 Canadians and Americans.

Income — Great-West Life's total

Income — Great-West Life's total income in 1977 came close to the billion dollar mark at \$978.311.697.

Premiums paid by policyholders accounted for \$755,604,961 of that amount, a 23% increase over 1976. The company's assets increased by \$368 million to reach \$3,012,250,011. This money, invested on behalf of policyholders and shareholders in bonds, stocks, mortgages and real estate, etc. yielded income of \$220,963,000, representing a return of 8.20% up from 7.76% the previous year.





Capital gains, realized and unrealized, on segregated investment funds, were \$1,744,000. These capital gains and losses do not affect Great-West Life's net income as they are credited or charged to the segregated funds only.

Benefit Payments — Great-West Life pays out money each year on retirement income payments; on life insurance claims; on health claims such as hospital and medical charges, dental bills; and on income replacement for disabling illnesses and accidents. During 1977, \$518,066,274 was paid out to policyholders and beneficiaries. An additional \$31 million was distributed as dividends to holders of Great-West Life participating policies. Over \$278 million was added to the reserve fund account set aside to meet future benefit payments to policyholders.

Expenses — The company's operating expenses increased 16% in 1977, a slight increase over 1976. The cost of payroll and administration was \$67,355,173; compensation for Great-West Life representatives was \$31,116,424; and over \$22 million was paid to governments in taxes, a 33% increase over 1976. Net Income — The company's net income for the year, before policyholder dividends were paid, was \$60,927,000, a 15% increase. Another \$9 million was added to the policyholders surplus account.

Shareholder earnings increased by some \$3 million to \$20,312,000, representing \$10.15 per share compared with \$8.07 in 1976. More favorable mortality experience, higher investment income and an improved result from the United States group health insurance line were largely responsible for the increase in shareholder earnings.

Denver Welcomes Great-West Life Plaza

November 10, 1977 was a big day for Great-West Life and the City of Denver, Colorado. A colorful ground-breaking ceremony, attended by over 100 guests — including several Denver dignitaries and Great-West's Denver organization, launched construction of Great-West Life Tower, a \$25 million office building. It is the first phase of Great-West Plaza, a twin-tower office development on a triangular piece of land in the heart of downtown Denver.

In late 1979, several of the tower's 29 storeys will be occupied by Great-West's United States Marketing Head-quarters, its U.S. Premium Collection Center, Denver Benefit Payments Office, Denver Branch Office and its Denver Group Office.

Great-West Plaza is a joint venture between Great-West Life and Oxford-Anschutz Development Company, a general partnership of Oxford Properties U.S. and the Denver-based Anschutz Corporation. Oxford Properties U.S. is a subsidiary of the Oxford Development Group, a Canadian development company in which Great-West Life has a major interest.

Oxford-Anschutz is also the developer of the \$90 million Denver Square whose 40-storey Anaconda Tower is the tallest building in the Rockies.

When Great-West Life opened its United States Marketing Headquarters

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BUBBLY BEGINNING: Perkins "launches" Great-West Plaza

in Denver in 1973, its president, James Burns, indicated a distinctive physical "presence" would likely be the next step in his company's U.S. commitment. Great-West Plaza is that presence in impressive form.

At the ground-breaking for the Great-West Life Tower, Don Elliott, the company's Vice-President, United States Marketing, said this project is of significance to Great-West Life, "not only as the site of our future U.S. headquarters, but because it is, for us, a visible affirmation of the growth and commitment to the future of our company in the United States marketplace."

He also said the development was important to Denver which is becoming one of the most dynamic cities in the U.S. "It's a symbol of the continuing, strong revitalization of the downtown area."

Great-West Plaza will add 775,000 square feet of office space at a key location (between 17th and 16th Streets and Court Place) in Denver's financial district.

Great-West Life's association with Denver began in 1957 when Robert Perkins, C.L.U., opened the company's Denver Branch, which today is Great-West's leading U.S. office in sales. It was Perkins, along with his wife Shirley, who officially launched the Plaza project by smashing a bottle of champagne on the blade of the ground-breaking bulldozer. The bulldozer then began to rip up the parking lot which will soon be transformed into a home for America's four-teenth largest life insurance firm.

DENVER DEVELOPMENT: Scale model of the twin towers.



Company Completes Kenojuak Collection



"Owl, Ravens and Dogs," 1967



Birds I Imagine, 1965

One of the most recognized art forms in the world is that of the Canadian Eskimo or, as they call themselves, Inuit meaning "The People". And one of the best-known Inuit artists is Kenojuak who has gained an international reputation for her engravings and stone cut prints.

In 1977, Great-West Life acquired the complete works of Kenojuak, a col-

lection unique in Canada.

"Great-West Life has been acquiring the works of Canadian artists, including some Inuit pieces, for over twenty years," says George Dinney, the company's Vice-President, Development. "However, it was not until 1975, when we heard a 40-piece Kenojuak collection was available, that we decided to buy it and use it as a base for a complete collection.

"To the best of our knowledge, Great-West Life is the only major company to acquire a complete collection of the work of one particular artist."

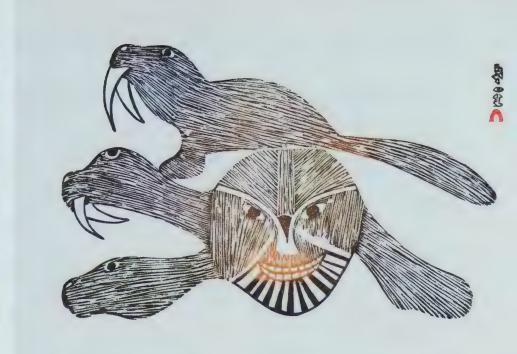
Born in 1927, Kenojuak (pronounced Ken-oo-u-ack) spent her childhood and much of her adult life moving from camp to camp as hunting dictated. In 1967, she and her husband Johnniebo moved permanently to Cape Dorset, located on Baffin Island, Northwest Territories, in a small inlet on the northwesterly side of Hudson Strait, 162 miles south of the Arctic Circle. Of their sixteen children (two of which are adopted), only five have survived the harsh living conditions of the north. Kenojuak herself spent five years in a southern Canadian hospital suffering from tuberculosis, a disease common among the Inuit.

Kenojuak began her artistic career in the late 1950's with drawings and carvings composed of many interconnected creatures of fantasy or the spirit world. Now she designs, rather than draws, and explores almost exclusively the owl theme. Acknowledged by some as the best Canadian artist in the world, she achieved international acclaim for her designs in the Canadian Pavilion at Expo '70 in Japan, and one of her stone cuts, "The Enchanted Owl", was used on a Canadian stamp designed to commemorate the Northwest Territories Centennial. In 1967, Kenojuak was awarded the Order of Canada for her contribution to the country through her

"Kenojuak's prints are done in editions of fifty," says Dinney, "and, of



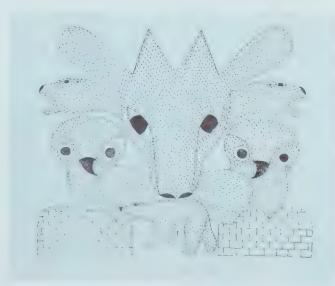
KENOJUAK: International acclaim



"Walrus Spirit," 1966



"The Owl with Bears," 1969



"Images I Know," 1976

course, the better the condition of each piece the higher the value. Of these fifty copies, only about 20 or 30 would be of interest to a collector; the rest would have lost much of their value for a variety of reasons — improper framing that allowed dust and moisture to get inside, framing without glass that allowed the print to get dirty, trimming the print to fit inside a particular size of frame."

Dinney notes that Winnipeg's Fleet Gallery, commissioned to do the leg work involved in locating and buying the prints, sometimes looked at seven or eight copies of one particular piece before finding one that was acceptable. The acquisition of the 111 pieces took two years and cost close to \$200,000 including framing, crating, commission, and so on.

Many of Kenojuak's prints are stone cuts. After she has drawn a design, one of the village men painstakingly chisels the pattern on a smoothed block of soapstone (the women's wrists are not strong enough for this heavy work). Paint is then splashed liberally on the raised portion of the design and transferred to paper by pressure of handrubbing. The result is an original Kenojuak print. The paint and paper process is repeated fifty times.

A close study of the prints will show three small marks stamped in the bottom

corner. The top one is the symbol of Kenojuak's name, the middle one the name of the stonecutter, and the bottom one the name of the co-op she deals with. All Inuit artists are shareholders in local co-ops, through which their work is sold. The West Baffin Eskimo Co-op, to which Kenojuak belongs, is the richest one in the North, doing over \$1.6 million worth of business every year and providing employment for some of Canada's best known Inuit artists.

Great-West Life plans a touring exhibit of the Kenojuak collection in Canada and the United States, and Dinney reports that several galleries have extended invitations.

A Centennial Symposium: "Values and Morals in Modern Life"

In 1974, Great-West Life's centennial gift to the City of Winnipeg was "The Dilemmas of Modern Man", a three-day symposium featuring international thinkers discussing education, medicine, economics, communications and global problems. The symposium received international acclaim as "a landmark in man's concern for his fellows and his environment."

"The Dilemmas of Modern Man" was so successful that when Great-West Life decided in 1977 to make another centennial gift, this time to the University of Manitoba which was founded in 1877, a follow-up symposium was the unanimous choice. "Values and Morals in Modern Life" became the theme of a three-day symposium dealing with ethical questions in sport, law, economics, religion, philosophy, the family, science and medicine. It was held from October 17 to 19, in Winnipeg's Centennial Concert Hall.

In a release issued at the news conference held to announce the symposium, Great-West President James Burns, co-chairman of the University of Manitoba Centennial Committee and a past-president of the University Alumni Association, noted the long-time close relationship between the University and Great-West Life which employs a great many of its graduates.

At the same press conference, University president Dr. D. R. Campbell said, "Great-West's financial support, combined with the experience of their previous symposium, will ensure that this symposium reaches the widest possible audience in the most professional way."

Similar Format

"Values and Morals in Modern Life" followed a format similar to its predecessor; six half-day sessions consisting of a guest speaker, a panel discussion and questions from the audience. The Symposium Chairman was Dr. Bob Beamish, Great-West's Vice-President, Underwriting and Medical, an eminent Canadian cardiologist and the man who chaired the 1974 symposium.

Over 7,000 tickets were sold for the sessions, which produced a wide range of provocative views offered by twenty-eight international, national and local speakers and panelists.

The session on "Law" was one of the most controversial. British author Jessica Mitford declared that prison reform only worsens the plight of prisoners and called for the formation of prisoners' unions. Winnipeg Police Chief Norman Stewart, president of the Canadian Association of Police Chiefs, was clearly appalled at Mitford's ideas, saying that the public is already concerned about the growing permissiveness of society and "a prisoners' union would be the last straw." People want to be protected against crime, claimed Chief Stewart, who advocates a return to the more traditional methods of dealing with criminals, including restoration of the death penalty.

"The Family"

The session on "The Family", which was sold out, featured *Anne Francis*, who headed the Royal Commission on the Status of Women in Canada from 1967 to 1970, and the well-known Canadian author/broadcaster *June Callwood*.

Francis said today's family is "in transition, moving toward a more democratic and happier condition" in which both men and women will have more opportunity to develop their potential as individuals, not just as spouses and parents.

Callwood informed the audience that of the approximately 300,000 single parent families in Canada (a growth rate triple that of two-parent families), most are headed by women with incomes below the poverty level and "it is the children who are suffering." Pointing out the results of a 1975 survey by the National Council on Welfare, which claimed more than six million Canadian children live in poverty, Callwood said, "It is mockery for us to achieve job enrichment for women and emotional enrichment for men if both suffer child-

hoods so crippling that they remain infantile all their lives. If this society continues to display indifference to the welfare of its youngest citizens, it is not only not worth saving — it can't be redeemed at all."

"Science and Medicine"

Speaking at the "Science and Medicine" session, author and editor Dr. Daniel Callahan said doctors are facing new moral issues such as saving the life of an infant born with grave and incurable defects or keeping a comatose or elderly person "alive" through medicine and machines. It is only a small psychological step, Callahan noted, from forcing people to have perhaps unwanted knowledge of their bodies to forcing them into certain action. If society decreed, for example, that all women over the age of 35 must undergo genetic screening, is the next step to force women likely to have genetically defective children to have abortions?

Dr. Eric Cassell, clinical professor in public health at Cornell University, declared that doctors face a dilemma over how much to tell their seriously ill patients.

"Mindless truth-telling can be as dangerous as concealing the truth ever was. The patient whose reason is clouded by fear, pain or illness may be unable to make a truly independent decision."

Cassell feels medical faculties should include philosophers and theologians who could give medical students guidance on how to grapple with moral questions that have been made more intense by the ability of science to prolong life.



SYMPOSIUM SYMBOL: Setting the stage for discussion

"Physical Fitness"

Perhaps the best-known symposium speaker was "miracle miler" Sir Roger Bannister who made sports history in 1954 in Vancouver, becoming the first man to break the "4-minute barrier" by running a mile in 3 minutes, 59.4 seconds. Bannister, now a London neurologist with a special interest in the medical aspect of sport, said that physical fitness is difficult to attain in "developed affluent societies plagued by myocardial (heart) disease and premature death." He urged that governments provide people with more opportunities for exercise, through school programs, and by teachers and parents teaching the values of fitness by precept and example. Bannister also felt sports facilities should be included in all factories, office buildings and housing projects of the future.

The Future

Within fifty years, Western societies may live under a system of "fascism with a friendly face", according to economist *Robert Heilbroner*. Industrial society will have to change to cope with pressures of a no-growth world economy, Heilbroner predicted, adding that capitalism cannot survive without a radical change

because the market system is linked closely to the need for growth.

Speaking at the "Ethical Philosophy" session, noted philosopher and theologian *Dr. Hans Jonas* pointed out that man is now at the point where almost every aspect of the world can be controlled. Warning that the consequences of this control could completely alter human life, Jonas said that the fear of doom should figure heavily in decisions affecting Western man.

Throughout the three days the symposium was given saturation coverage by local radio and TV stations. Newspapers and the wire services reported the proceedings across the country.

Tapes of each session were made available for \$4.00 each and over 1,000 have been sold. The transcript of the session is also being published.

"Values and Morals in Modern Life" will long be remembered as one of the most successful international symposiums held in Canada. It may not have provided answers to many of the problems outlined in the 1974 "Dilemmas of Modern Man", but the nature and enormity of the decisions that face mankind today were clearly elucidated by the speakers.

Symposium on Television

When Great-West Life's 1974 symposium, "The Dilemmas of Modern Man" was being held, film crews were on hand recording the proceedings. During the summer of 1977, Prairie Public Television telecast these films in one-hour shows every Tuesday evening for six weeks on their stations in Winnipeg, Grand Forks and North Dakota.

Among the speakers who were filmed during the symposium sessions were Dr. Aurelio Peccei, a founding member of the Club of Rome; Dr. Herbert Stein, former Chairman of the U.S. Council of Economic Advisors; Sir Ferguson Anderson of Glasgow, a world-renowned expert on the aging process; and Lord Ashby of Brandon, one of Britain's foremost education experts.

The 1974 symposium attracted 1,000 permanent delegates — mostly academics, doctors, economists and businessmen — and 9,000 people who purchased individual tickets for various sessions. The lectures were later compiled into a hardcover book published by Great-West Life.

Business in Force Increase Largest in North America

When the latest rankings were in for all North American life insurance companies, Great-West Life came out a definite winner with a 27% business in force increase, the largest of the top 50 North American life insurance companies and a full-9.6% higher than its nearest competitor.

This boosted Great-West to a 14th place ranking among the 1800 life companies in North America, a three-point jump from the 17th place it occupied in 1975.

Great-West's \$4.89 billion of insurance sold in 1976 made it Canada's leading life insurance company in terms of insurance issued.

With \$29 billion of insurance in force at the end of 1976, Great-West Life became Canada's second largest life insurance company, not far behind Sun Life with \$31.7 billion. (In 1977, Great-West's total insurance and annuity business in force climbed to \$40.6 billion).

Speaking for the company's United States Marketing division, Bill McCallum, Director, Marketing, says, "A large part of our success is due to the efforts of our group people, not only in capturing many large cases but also in retention of current cases."

How right he is. Great-West Life was the leading Canadian insurance

company doing group business outside Canada in 1976 with premium income of \$38.1 million. In terms of Canadian companies' group sales, both within and outside Canada, Great-West is number two with premium income of \$88.4 million in 1976.

Great-West Life was also Canada's leading health insurance company for 1976 (individual and group) with premium income of \$209 million. This 35% increase over 1975 brought the Company up to 21st place among North American health insurers from the 24th place ranking it held the previous year.

As well, Great-West was the largest Canadian underwriter of group health insurance with \$203 million premium income in 1976. It was the No. 1 Canadian life insurance company in terms of health sales in Canada in 1976 with premium earnings of \$96 million, a full 14% above its nearest competitor.

"The best measure of success lies in how you do against the competition in your industry," says Reg Abbott, Great-West's Vice-President of Marketing for Canada. "These growth results are most gratifying and speak eloquently of the calibre of our sales organization. They also reflect the dynamic partnership and co-operation between Great-West's field and Head Office operations"



ABBOTT: Competition is best measure



New Ads Star GWL People

Almost 1600 people work for Great-West Life in its home office city of Winnipeg. Many of them also work hard for local community clubs, sports clubs, cultural groups, and volunteer organizations. Great-West Life's new 1977-78 Winnipeg advertising program is paying tribute to those company employees and agents who willingly give of their time to the enrichment of the community.

Each of the advertisements in the series, developed by the company's Corporate Communications department and for the most part appearing in programmes of Winnipeg's performing arts and sports groups, highlights the community activity of a Great-West person.

Among those featured are Karin Woods, Supervisor, Banking Services, and Alf Stephens, an agent at the

Winnipeg Royal Branch, both of whom sing in the chorus of the Manitoba Opera Association: Bob Mansfield, the company's Manager, Group Annuity and Accounting, who is on the Board of Directors of Winnipeg's YMCA; and Ed Stefanyshen, Supervisor of Policy Change Services, who sings with the Winnipeg Chapter of the Society for the Preservation and Encouragement of Barbershop Quartet Singing in America.

Three of the people featured in the new advertisements are very active in local community clubs. Winnipeg Royal agent Lou Mohr, for example, has coached hockey and baseball teams for many years, is past-president of the Board of Directors of the Crescentwood Community Club, and Vice-Chairman of the Fort Rouge Recreation Committee. Bill Powell, a computer programmer analyst with Great-West, is sports director at the Winakwa Community Club,

treasurer of the St. Bartholomew's Cub and Scout Packs, and one of the organizers of the St. Boniface Minor Hockey Association. And Ken Corby, Supervisor, Punch Card Services, is a hockey and baseball coach at the Woodhaven Community Club.

By the end of 1977, the "community service" ads had appeared in programmes representing 45 local organizations and had drawn many favorable comments from company personnel and outsiders alike.

Great-West Life also provides more tangible support in the form of donations to service, charitable, and research organizations, cultural groups, and sports organizations, not only in Winnipeg, but in many other cities where it does business. In 1977, the company's corporate donation program amounted to over \$300,000.



BOB MANSFIELD—It seems to follow that if a person gets involved in one community activity, they're soon committed to several. Take Bob Mansfield for instance. After jogging at the YMCA for ten years, he recently accepted a position on their Board of Directors and on the Membership Committee He's a director of the Norberry Community Club, a member of their Winter Carnival Committee, and the manager of their Pee-wee hockey team on which his son Jim plays, For Bob, community involvement is simply a way of life

Bob is Manager, Group Pension Accounting at Great-West Life.

Our people know the value of community sports

Through the years many employees of Great-West Life have recognized the need to serve the community we live in. And, particularly, they know the value of sports programs to the enrichment and development of our children. Through their own efforts and on their own time, our people assist with and participate in the athletic programs of various community organizations.

As a company, Great-West Life supports many sports and recreation programs which benefit our community. That is something of which we can be proud. But we're especially proud of the way our people serve on an individual basis.

Great-West Life
ASSURANCE C-M COMPANY



KARIN (KOZUB) WOODS—Born to parents who were so fond of music that their first piece of furniture was a piano—even though neither could play a note—it was only natural that Karin would grow up singing. Her early formal voice lessons in French, Italian and German stood her in good stead as a member of the Festival Opera Group and, since 1973, of the Manitoba Opera Association. As a member of the chorus, Karin rehearses twice a week for three months and every night and weekends for the two weeks preceding opening night. Long hard work that pays off in the pleasure each performance gives Winnipeg operagoes

Karin is Supervisor, Banking Services at Great-West Life

Our people know the value of performing arts

Through the years many employees of Great-West Life have recognized the need to serve the community we live in. They know the benefits of the performing arts to the enrichment of our communities and to the development of our children. Through their own efforts and on their own time, our people assist with and perform in many of the cultural programs of our city.

As a company, Great-West Life supports many cultural organizations which benefit our community. That is something of which we can be proud. But we're especially proud of the way our people participate on an individual basis.

Great-West Life

4932-1B



LOU MOHR, CLU—For many years Lou has been active in community club programs in his area, from coaching minor hockey and soccer teams to a term as President of the Crescentwood Community Club—and a lot in between. This year he is busier than ever, serving on the Club's Board of Directors as Past-President and as Vice-Chairman of the Fort Rouge Recreation Centre. Lou believes the time he has devoted to the community clubs in the Fort Rouge area is well spent in providing children with better facilities and equipment. We couldn't agree more.

Lou is a life insurance agent at Great-West Life's Winnipeg Royal branch.

Our people know the value of community sports

Through the years many employees of Great-West Life have recognized the need to serve the community we live in. And, particularly, they know the value of sports programs to the enrichment and development of our children. Through their own efforts and on their own time, our people assist with and participate in the athletic programs of various community organizations.

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Great-West Life
ASSURANCE G-100 COMPANY

New Career Development Program

Helping Employees Achieve Their Career Goals

"I don't want just a job — I want a career!" Many a young woman or man has expressed that wish to a high school or university guidance counsellor, or to a company's personnel manager. Sometimes an employee will say "I feel like a square peg in a round hole — I'd like a change."

Great-West Life understands and trys to provide a prompt response and practical support to the ambitions of its employees. Two years ago, the company set up a special Career Development Program. Purpose: to help employees identify career goals and explore effective ways to achieve them.

Understandably, such a program takes time to produce tangible results. Joan Prevalnig, Great-West's Personnel Development Manager, feels this program has already created opportunities for open and candid discussion between employees, their managers, and the Personnel Department.

"People come to us telling us where they want to be in five years. We can help them identify ways to achieve their goals, which training courses to take, in which areas of the company they should get work experience."

PREVALNIG: Careers and communication.



Many staff members are attracted to job opportunities in other company departments. To help them judge these opportunities, the Personnel Department selected Information Counsellors from each division. These Counsellors describe the work their division does, the positions available, and training needed by anyone interested in a transfer.

Vital to the program's success is an up-to-date record-keeping system. Each year a Career Development Information form is filled out by a career employee outlining education, job experience, any training courses taken, career aspirations, and other company departments he or she might be interested in working in

"When a position opens up," says Prevalnig, "we use this information to list the individuals most qualified to fill it. The department concerned can then select the candidate best suited to the position. Even if it turns out that an individual on the list isn't interested in that position, he or she is pleased to have been considered."

Because these forms are filled out in consultation with an employee's immediate supervisor, the procedure promotes better communication and understanding.

"As a result of these career discussions, any desires for changes are expressed in terms of months rather than days," says Prevalnig. "This gives the departments and us a much better chance to plan meaningful job changes and provide the individual with an opportunity to prepare properly for a new job."

The program has also resulted in the development of more company training programs. Great-West Life offers approximately a dozen inhouse courses — supervisory skills, leadership training, secretarial seminars, interviewing techniques and so on. The 'faculty' for these courses consists of approximately one hundred staff volunteers. The company will also bring in outside speakers for special seminars, and sends people to outside courses and seminars.

Prevalning feels the program is working towards better manpower utilization at Great-West Life with employees having more and better opportunities for career growth.



NEW VIEW: Head Office from the 10th floor of Rupertsland Square

Offices and People on the Move in 1977

In the summer of 1977, Great-West Life acquired another "head office"—the 9th and 10th floors of Rupertsland Square, a new office tower three blocks away from the company's Winnipeg Head Office.

Acute crowding in the Osborne Street Head Office was the reason some 150 staff members were moved to new quarters, reports John Brice, the company's Director, Corporate Properties and the man who organized the move.

"When our Head Office building opened in 1959, we had sufficient space to enable us to lease out some areas. Gradually, we simply ran out of room to give everyone a reasonable work environment. That should be, ideally an average of 80-100 square feet for every work station. You can't expect people to work well when they are crammed into tiny areas."

To achieve the 90-foot ideal would have required at least 16,000 additional square feet. The space just wasn't there no matter how offices were redesigned. The decision was made to move several departments out of the building.

Rupertsland Square is only one block away from Winnipeg's main shopping thoroughfare and two levels of shops will be opening in the building. An enclosed overhead walkway is to be built soon, connecting Rupertsland Square to The Bay department store. Future development plans call for similar "sky walks" among the major downtown shops, hotels, office and convention facilities in Winnipeg.

Later this year, Great-West will be moving more Head Office personnel to the 7th and 8th floors of Rupertsland Square

The migration of its Head Office departments to Rupertsland Square was not the only Great-West move in 1977. The year included many new office openings and movement of existing

offices to larger premises.

In January, the Detroit Group Office under Manager Fred McLaughlin, and the Detroit Benefit Payment Office under Manager Elin Chambers, moved to the 21st floor of one of the four 39-storey towers making up Detroit's Renaissance Center. Focus of the Center is the 70-storey Detroit Plaza Hotel, now the tallest building in the city. The development also includes banking facilities, restaurants and shops.

"It's a magnificent development," says Chambers, "and many people predict it will revitalize the old riverfront business district." She adds, "It's nice our offices face towards Canada - very appropriate for a Canadian-based com-

In all, 19 Great-West Life offices sent out change-of-address notices last year.

Great-West Life is one of North America's fastest-growing life insurance companies and it kept up its steady pace of growth by opening several new offices

New branches were opened in the United States - in Boston under Branch Manager Richard LeBlanc; in Atlanta under Manager John Moore; in Kansas City under Manager James Perryman; and in Washington, D.C. under Dave Kestel, C.L.U. A Benefit Payment Office was opened in Milwaukee.

These additions bring the Company's United States offices to 96-32 branch offices, 31 group offices, 14 district offices, 18 benefit payments offices, and the premium collection center.

In Canada, district offices were opened in Sarnia, Ontario; Val d'Or, Quebec; Fredericton, New Brunswick; and Ft. McMurray, Alberta, bringing Great-West's Canadian district offices to 24. The Company also has 37 branch offices in Canada, 10 group offices, 6 benefit payments offices, and 6 property investment offices.

CHAMBERS AND MCLAUGHLIN: Now in the Renaissance Centre.



Harvey McIntyre: CLU Medal Winner For Manitoba

The initials C.L.U. after a life insurance representative's name stand for Chartered Life Underwriter, the highest education degree in life insurance marketing. The degree takes three years of intensive study and twelve tough examinations to achieve. The coveted designation has been earned by 230 of Great-West Life's 900 representatives.

Harvey McIntyre, C.L.U., of the company's Winnipeg Central Branch, is one of them. When he earned the designation in 1977, he received the Leslie W. Dunstall Memorial Medal for the highest average mark in Manitoba in all 12 examinations.

"Surprised" was McIntyre's reaction upon learning he had won the award because "there were a lot of very smart people taking the course." He concedes, however, that his twenty-five years as a life insurance representative probably gave him an advantage over relatively inexperienced "newcomers" to the field.

After so many years in the life insurance field, why would a representative feel the urge to try for his

C.L.U. designation?

"I took it to make sure I was up on things and I discovered I could learn a lot," says McIntyre, who began the study program in 1975. "In life insurance, as in any other profession, you have to keep abreast of new developments in order to give your clients the best possible service. Everything you learn makes you a better agent if you use that knowledge effectively."

McIntyre also believes in using his knowledge to help his fellow agents.

"Harvey is one of our branch's top producers," says his Winnipeg Central Branch Manager Vern Fauth, "but his biggest contribution is the time he takes to help newer agents, particularly in advanced underwriting. When any of our agents have a problem in this complex area they know Harvey is always there to turn to for advice and assistance."

To earn the prized C.L.U. designation, a representative must complete courses covering all aspects of insurance group insurance and pension plans, life insurance law, principles of life insurance, taxation and estate planning - plus studies in economics, commercial law, personal and business finance, accounting and psychology.

"Chartered Life Underwriter means a great deal, especially in our very complex world of business, government and taxation," says Roy Williams, C.L.U., Manager of Great-West's Winnipeg Royal Branch. "Through the C.L.U. In-



McINTYRE: Top marks after 25 years

stitute, it means the highest standards of business ethics and practices. Above all, it means professional competence in the field of life underwriting.

"It can only be obtained," concludes Williams, "by those prepared to dedicate themselves to long hours of study over several years in order to pass the comprehensive series of university level and administered courses".

Some Notable **Achievements** and Events

In September, Great-West Life's President James Burns was elected Chairman of the Conference Board in Canada for a two-year term. The Canadian counterpart to the prestigious Conference Board in New York - which Burns has served as a Trustee for the past two years — has some 650 members and is one of the nation's most influential institutions, involved chiefly in long-term political-economic analysis and forecasting. Burns is also the only Canadian member and a Trustee of the Conference Board of Europe.

"A really beautiful experience" is how Dr. Colin Nisbet, Great-West Life's Assistant Medical Director, describes his hobby-sky diving. Karen Cousins, who works in the Company's Valuation department, is also a devotee of this rapidly growing sport and spends most of her weekends floating earthward under a parachute.

PEOPLE NEWS

Pouring rain one July afternoon didn't dampen the spirits of the 120 Great-West Life retired staff members and agents on their annual **paddlewheel boat cruise** along Winnipeg's Red River. Coming from as far away as Victoria and Florida, old friends got together to reminisce about "the good old days" and get an update on what's new in each other's lives.

A Friday night date for Cathy Izzotti, a clerk with Great-West's Hamilton Group Office, and her boyfriend Joe Sferrazza, ended in a dramatic rescue mission. Driving home about 2:00 a.m., they noticed a second-floor apartment which appeared to be on fire. While Izzotti called the fire department, Sferrazza and two passers-by broke into the downstairs billiard parlor and stumbled up the stairs to the smoke-filled apartment. While the three men each scooped up and evacuated a sleeping child, Izzotti returned and entered the apartment and was able to rouse the parents. Tenant Albino Barbosa was shaken by the thought that without the quick-thinking of Cathy Izzotti and the other rescuers, he and his family, overcome by smoke, would probably have died that cold March night.

Never one to refuse a challenge, Rod Pennycook, Great-West's Vice-President, Corporate Systems, rose to the occasion when the Regional General Manager of the Royal Bank of Canada challenged him to ride in the Manitoba Kidney Foundation's Cyclathon last May. Completing the entire 15-mile distance, "Zippo" Pennycook raised \$1,288 from the pledges of 464 Great-West staff members and agents. With the money raised by the other challengers - the Bank of Commerce, the Credit Union, and, of course, the Royal Bank – almost \$9,000 was donated towards this worthy cause. Gallantly declaring that he "really enjoyed the ride", Pennycook decided cycling is good exercise and plans to continue on a regular basis (particularly since he bought a new 10-speed bike just for the big event).

A way of life ended for Alf Moon, former Supervisor, Company Records, last June when he retired after 47 years with Great-West Life. He had seen almost a half-century of changes in record-keeping techniques. "Computers have made for incredible strides in dayto-day updating of files. We're doing things now we couldn't conceive of 20 years ago." Summing up his lengthy career, Moon declared, "I'll be leaving with no regrets. I've made a lot of friends and I had the opportunity to advance within the company. When you can end a career saying that, you've done all right for yourself."

For many years Great-West Life personnel have celebrated their own annual spring rite - the Staff Club Bonspiel, three nights of curling and partying culminating on the fourth night in a dinner and dance. (For non-aficionados, curling is something like "lawn bowling on ice", played with "stones" which make a rumbling sound when thrown - hence the nickname "The Roaring Game".) Any wiser? Well, Winnipeg is a "hotbed" of curling in Canada, and the 1977 'spiel was the biggest ever with 103 teams of four members each participating. The odd number posed a problem for "drawmaster" Wayne Bergquist (Taxation Officer). He also found it challenging to rearrange draws to accommodate people who would be out of town one night or only able to curl at certain times. However, everyone got in at least three games and by Saturday night the avid curlers were already making plans for the 1978 'spiel.

January 15, 1977 was a very special day for **Bob Bixler** (Branch Manager, Baltimore), one he will never forget—"Bob Bixler Day" in Baltimore County. The occasion was Bixler's elevation to the office of Illustrious Potentate of the Boumi Temple, a local Shriner's organization of over 9,000 members. At the Inaugural Dinner and Dance that night, the tables were graced by floral arrangements donated by Great-West Life in honor of Bixler, who has been manager

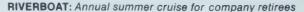
at the Baltimore branch since 1965.

For the past few years, about 30 Great-West Life men have been part of an informal jogging club who lap around the YMCA track at the noon hour everyday. Two years ago the club instituted the Rookie Jogger of the Year award, presented to the rookie jogger who shows the most improvement. The 1977 winner was Don Fischer, Manager, Actuarial Services, who was presented with his trophy by previous winner Graham McDonald, Group Pension Officer. There's also the Lead Shoe Award presented to the jogger showing the least improvement. You might say that Gerry Chapman won this honour "without even trying"!

The prime mover behind Great-West Life's highly successful 1974 symposium on The Dilemmas of Modern Man was Dr. Bob Beamish (Vice-President, Underwriting and Medical). So it was understandable that when the United Nations in Canada decided to sponsor a conference on "Canada and the U.S. in a Changing World", they chose Winnipeg as the site and Beamish as Chairman of the (Winnipeg) Committee on Arrangements and member of the (Ottawa) Steering Committee. The purpose of the conference was to review the major issues Canada faces in an interdependent world, examine the role the U.N. plays in global change, and look at Canada's responsibilities in the community of nations.

After 50 years with Great-West Life, Morley Winkler (Winnipeg Royal) is still selling enough insurance to earn him his forty-fourth qualification to attend the company's conference for leading agents. Although he officially retired in 1967, Winkler has no intention of putting down his rate manual. "My conviction is that my policyholders have made it possible for me to earn a good living. So as long as I'm in good health, I feel it's only proper that I look after their interests."

BURNS: Chairman of Conference Board. DODGE: "Miss Merry Christmas"









Although Great-West Life makes many large corporate grants to large and small institutions and organizations all over Canada and the United States, it also recognizes individuals. For several years, the four Manitoba winners of the high-school quiz show "Reach for the Top" have received \$1,200 and \$800 scholarships; the Banff School of Fine Arts receives \$600 from the company each year to provide scholarships for two 'summer students; and the Manitoba Heart Foundation receives \$6,000 to finance summer research projects for four medical students. The American Fund of Dental Health also receives \$15,000 providing two training fellowships for dentists going into the teaching field. In 1977, Great-West Life established two more educational grants. Gail Theaker, a Business Administration student at Hamilton, Ontario's Mohawk College, was the first recipient of the company's Mohawk Student Award which will cover her third-year tuition. And Jean Hughes of the Dalhousie University School of Nursing received a \$1,500 bursary, presented on behalf of the company by Nova Scotia Branch Manager John McGowan.

Each year Great-West's Staff Club sponsors an Art Show for its staff and agents and their families, and 1977's show was the best ever. Two hundred and fifty entries were received (40 from branches all across Canada and the U.S.) - photographs, paintings, drawings, needlework, ceramics, macrame, woodcrafts, almost all art forms were represented. The evening also included a wine and cheese reception and craft displays such as the Ukrainian egg painting shown below.

Great-West Life Winnipeg staff members raised \$650 for charity last Christmas when their Staff Club sponsored its annual Christmas Bazaar and Bake Sale. One hundred and ten dolls were beautifully dressed by the company's nimble-fingered sewers and donated to the Children's Aid Society and the Day Nursery Centres, along with ten carefully crafted stuffed animals. Norma Dodge, secretary to Dr. Bob Beamish, Vice-President, Underwriting and Medical, dressed the prize-winning doll, "Miss Merry Christmas".

It was good news time around the company's Corporate Communications and Services department when the people who had worked on the 1975 Annual Report Supplement learned it had won the International Association of Business Communicators' (IABC) Gold Quill Award of Excellence. The world-wide IABC sponsors this program each year to honor superior achievements in business and organizational communication, and to encourage members to foster innovation and excellence in business communications. "Peer group recognition always means something special, perhaps because it comes from people who understand the problems encountered and what it takes to produce the final results" says Ron Graham, Manager, Corporate Communications. Graham, along with Heather Mousseau (Corporate Communications) and Gilles Marceau (Manager, Sales Development) produced the award-winning publication.



MOON: A 47-year career.



SKYDIVERS: Karen Cousins and Colin Nisbet jump in the wild blue yonder



PENNYCOOK: Cycles for cash.

SCHOLARSHIPS: Hughes receives GWL nursing bursarv



BONSPIEL: 412 curlers have wonderful time



ART SHOW: 250 entries from North America.



Leaders-of-the-Year

Harold Zlotnik Company Leader

How does an agent close sales of over \$22 million in one year? Vancouver Georgia's Harold Zlotnik C.L.U., says he did it by going after the large cases. And in 1977 he tumbled all previous company records with a total of \$22,680,000, measured by the face amount of protection offered.

Zlotnik closed his three largest cases in December, for a whopping \$20 million of insurance coverage sold in that month. Included were the benefit packages he sold to six executives of a large company generating \$180,000 in premiums annually; key-man insurance for two partners in a private company yielding over \$200,000 in annual premiums; and buy-sell coverage for partners of a private company which brings in \$120,000 in premiums each

"I look for cases involving a minimum of \$1 million of protection and try to get enough of these large cases that I'm not dependent on any one of them," he said, pointing out that when an agent hangs onto a case too tightly, his own interests become more important to him than those of his clients.

Zlotnik stresses efficiency and reduces his own work load by delegating to others much of the work which is not a direct selling function. He thus needs a great deal of technical support, gets it from the staff of Great-West's Vancouver Georgia Branch Office, and appreciates their efforts. While he does the conceptual work for his sales presentations, the presentations are prepared by others.

"I concentrate on the initial and closing interviews and leave much of the detail work to our support staff," Zlotnik explained.

His presentations are kept as simple as possible so the important issues don't become buried in facts and figures.

He continually updates his name file with prospective clients, and maintains that agents sometimes spend too much time pursuing prospects who have already turned them down once.

"Personal experience has proven that meeting new clients is far more productive," Zlotnik claims.

An experienced agent (he first joined Vancouver Georgia Branch in 1945) with an impressive sales record, Zlotnik has excelled in other endeavours. During his service overseas with the R.C.A.F. he received the Distinguished Flying Cross and was discharged with the rank of Flight Lieutenant. He is known across Canada as an informative business and estate planning speaker, and has in the past addressed the insurance industry's elite — the Million Dollar Round Table annual meetings (he is a life member, qualified first in 1956). He has also lectured at the Banff School of Fine Arts on business insurance and estate planning, and to Great-West Life agent trainees.

Sandy Lenenberg **United States Leader**

Sandy Lenenberg of the Philadelphia Central Branch Office added another feather to his heavily-festooned cap in 1977 by leading Great-West Life's sales organization in the United States with an impressive \$11,453,000 of insurance coverage sold by year-end. He has been the company's leader six times.

Lenenberg is determined to continue his pace-setting tradition in 1978. Highly organized, he starts each day at 6 a.m., arriving at the office by 7:30 a.m. A typical workday includes servicing existing clients, meeting new clients, and studying new government regulations and developments in the insurance in-

One of Lenenberg's inflexible rules is that his clients must be served properly, and this task is becoming more difficult as his clientele grows. He has delegated much of the service work to his office staff, whom he praises as highly competent and efficient.

"If it weren't for my office staff I could never handle the work load."

Lenenberg considers himself a professional in the business, and advises other agents to adopt a professional attitude in their work.

"An agent must earn the right to consider himself a professional by providing a high degree of service," says Lenenberg. "When clients recognize this attitude in their life underwriter, they feel confident in relying on the advice and guidance given them."

Although Lenenberg's career placed heavy demands on his personal life for the first few years, he is now able to spend more time with his wife, Carole, and their twin sons, Jack and Alex, who are nearing their twelfth birthdays. He relaxes with golf, tennis and swimming, and frequently "recharges" by taking a brief holiday with his wife.

He is actively involved in his community, and last year served as chairman of the Jewish Community Centre Scholarship Loan Committee; the South Hills Division of J.C.C. Capital Funds Committee; the Business Committee for the Pittsburg Jewish newspaper; and co-chairman of the South Hills Jewish Community Centre's Building Development Committee.

ZLOTNIK: Company record LENENBERG: Client service





BURKE: Specialized market

Lenenberg joined Great-West Life at the Philadelphia Central Branch Office in 1969, and has qualified annually for the industry's "Million Dollar Round Table" association of leading agents. His total business in force with Great-West Life is tops in the firm: at December 31, 1977 — \$48,629,027.

Vancouver Georgia, Leading Branch

With insurance coverage sold totalling \$51,308,000, Great-West Life's Vancouver Georgia office jumped from sixth in '76 to first among the sixty-nine branches in '77.

Associate Managers Orville Burke and John Scott both attribute this remarkable increase in sales to selecting one market and specializing in it.

"Once we had decided to go into the business market we developed our personnel and expertise in that area," explains Burke. "We deal primarily with executives in major corporations, offering them estate planning and funding agreements for shareholders."

Burke, Scott and two of their staff — Malcolm Scarratt, C.L.U., Assistant Branch Manager, and Don Pooley, C.L.U., Marketing Consultant, serve as a resource team to assist agents in their specialized market.

"We want our agents to spend as much of their time as possible doing what they do best — selling — rather than shuffling papers," comments Burke.

Scott maintains that his Vancouver Georgia agents will need all the support they can muster if they are to achieve their 1978 goal — to double the '77 sales total. He and Burke think the \$100 million goal will be a tough one to meet, but point out that an easy-to-reach objective offers little incentive to work harder.

They know theirs is a demanding business, and both stress the importance of relaxation. For Scott, this means oil painting or fishing, while Burke chooses to relax on the golf course or at the curling rink.

Burke joined the Calgary Branch Office in 1963 and was appointed Supervisor there in 1965. Then followed a series of transfers — Manager, Hamilton Bay in 1966; Manager, Edmonton South in 1967; and Manager, Toronto One in 1969. He was appointed Director of Marketing Canada in 1971, and in 1975 became Associate Branch Manager at Vancouver Georgia.

Scott joined the Company in Kingston in 1956. He became Supervisor in 1958 and Branch Manager in 1959, transferred to Vancouver Georgia in 1969 as Branch Manager. He became Associate Branch Manager, with Burke, in 1975.

Denver, Leading U.S. Branch

Great-West Life's Denver Office, under Manager Bob Perkins, C.L.U., earned top United States branch honours in 1977 with sales of \$42 million, over \$2 million ahead of the Dallas Branch Office, their nearest competitor. It was an impressive climb for Denver, which finished fifth in 1976 and 1975.

The branch surpassed its objective for 1977 and hopes to go over \$50 million in 1978. Perkins plans to increase production each year, with a goal of \$105 million set for 1982.

"My philosophy as branch manager is to attract competent associates and to narrow the gap between their productivity and their capacity," explains Perkins. "We try to get each individual here to work as close to capacity as possible."

He thinks good planning is the crux of good leadership and feels that a manager must accept the responsibility for planning.

"We've always done a lot of planning here as an agency, and with each of our agents," he said, adding that all have five year plans which are then broken down into monthly, weekly, and daily objectives.

The Denver Branch has never tried to capture one particular market; instead, it runs a sort of "insurance clinic" where it offers a variety of products.

"The danger with specializing is that 'Uncle Sam' occasionally makes your specialty obsolete," Perkins points out, "so we take a generalist approach and roll with the changes."

He describes his operation as the kind of office which offers support services for the million-dollar producing agent, as well as the \$10 million a year producer.

One of Perkins' foremost traits is discipline, for himself and his staff. "It is vital to be able to set a schedule, but it is doubly important to have the ability to stick to that schedule," says Perkins.

His advice to other sales managers? Simply this: "Good planning does not guarantee good results, but it does increase the probability of good results."

Perkins entered the insurance business as an agent in 1953, and joined Great-West Life as District Manager, Klamath Falls, in 1955. He started the company's operations in Colorado, as Manager of the Denver Branch Office in 1957.

Ken Frost, Company Leader in Group Sales

Great-West Life's leading group insurance representative for 1977 was no "long shot." Ken Frost of the Winnipeg Group Office won the title in 1975 and has consistently ranked near the top.

Frost attributes his success this past year to several large cases and heavy sales in the small to medium pension market.

One of his large cases was a life and health program which generates annual premiums of over one-half million dollars. This client was a new one, as many of his clients were in 1977.

Frost feels that the Canadian government's wage and price controls caused some reduction in the number

SCOTT: Agent support

PERKINS: Work to capacity

FROST: New clients

FALLER: 253% over objective









of improvements he was able to make to existing cases, particularly the larger ones. "However," he points out, "we were more successful last year in bringing new clients to Great-West Life.

"Another of the large cases which boosted my total was a mass marketed pension program — it's my favorite." Frost commented. Although the case was closed several years ago, it continues to generate more new premiums every year.

The bulk of his cases for 1977 were in the small to medium range, and compared to previous years, he closed a greater percentage of the business he quoted.

In planning for the year ahead, Frost has decided to continue concentrating on the pension market, which he believes is very strong in Winnipeg at this time.

Frost graduated from the University of Manitoba with a bachelor of Science Degree in 1968, joined Great-West Life in its Head Office Group Pensions Department that same year. He attributes much of his success in the pension market to the experience he gained while working in the Pension Underwriting area at Head Office.

Frost transferred to the Winnipeg Group Office in 1973 and was appointed Senior Representative, Group Accounts there in 1975.

Philadelphia, Leading Group Office

The Philadelphia Group Office set a new U.S. record in 1977 with \$10 million in net premium growth, and Manager Bud Faller has praise for all.

"Everyone in this office and in our East Orange office played a major role in contributing towards our year-end total." says Faller. "All our representatives exceeded their objectives for the year and the office exceeded its goal for new premiums by 253 percent." The closing of four large cases in 1977 helped boost the record-setting total.

The Philadelphia Office earned top honors in the group race in spite of (or perhaps because of) the fact that the majority of its staff joined the company during the last two years.

"It shows that our new people did an outstanding job, especially in view of the short time they have been with Great-West Life," commented Faller, who became manager there one year ago.

Reviewing Philadelphia's plans for 1978, he says that there will be greater emphasis on the pension market because of the company's superior pension products. Faller points out that the superiority of the company's pension products allow his staff to take a stronger position in the competitive market.

Faller is married with four children.



PAPAJOHN: Credits brokers

In his spare time, he participates in a variety of sports — basketball, tennis and 'golf — and coaches boys' midget football and baseball

He graduated from Muhlenberg College. Pennsylvania, with a Bachelor of Arts Degree in 1954. He got his start in the industry in 1958 and joined Great-West Life in 1974, as Manager of the East Orange Group Office. In Faller's first year there, East Orange received the company's Award for Excellence. The office was subsequently combined with the Philadelphia Group Office, where Faller was appointed Manager in 1977. Early in 1978, he moved to the Company's Denver Marketing Headquarters as Regional Director.

Peter Papajohn, United States Group Leader

Peter Papajohn, a Senior Group Representative for Great-West Life in Boston, finds it gratifying to have earned the title of top group representative for the United States in 1977, but claims that the brokers he worked with deserve much of the credit.

The key to his success, he says, was the development of an excellent working relationship with a small group of brokers who share his philosophy on the industry.

McFETRIDGE: Dental year



"I place great importance on the character of the people I do business with." he notes. "I have found brokers who are sensitive, understanding and performance-oriented, and we have developed a three-party relationship between ourselves and our clients which has proven beneficial to all."

In reviewing his objectives for 1978, Papajohn has decided to place high priority on improving performance to his brokers and group clients. This will involve striking a balance between their needs and the administrative demands he must meet at the Boston Group Office, which opened in mid-1975.

"Since we are a relatively new office, there are certain administrative difficulties which have yet to be worked out," says Papajohn, explaining that this prevents him from responding as quickly as he would like to the requests of his clients and brokers.

He's had to spend much of his time on paper work when he would rather be out selling, but maintains that all agents and group representatives have an obligation to look after the needs of their clients after the case has been closed.

"I believe in helping as much as I can those people who have been of help to me," he comments. "Listening to people and analyzing their needs is what this business is all about. I don't put in 15 to 18-hour days just for the money."

The long hours associated with the industry have made considerable demands on Papajohn's time, and he's had to make compromises. Once an avid golfer, he now spends far less time on the golf course than he would like to. He would also like to devote more time to his wife and two children, and has made this a priority for 1978.

Papajohn graduated from Syracuse University, New York, in 1968 with a Bachelor of Arts degree, political science major. He joined the Boston Group Office in 1975 as Senior Representative, Group Accounts.

Montreal Brokerage, Leading Canadian Group Office

Great-West Life's top group office in Canada for the second year in a row, with sales of \$8,500,000 was its Montreal Brokerage Office. Manager Bob McFetridge says that placing two large bank cases last year, put them on top.

"We were almost 'starving to death' for two or three months before we closed the first major case — which whipped us ahead of schedule," he reflected wryly. The second large case was closed only a few weeks later, resulting in an award-winning year.

Dental insurance proved to be the Montreal office's best selling product last year, and accounted for so large a portion of their total that McFetridge labelled 1977 'dental year." In 1978 he considers the real opportunity will lie in disability insurance programs for banks.

"Many of the chartered banks are expressing interest in offering disability insurance to their clients," he explained. "A big piece of the pie this year will be in these disability programs, and we're going to concentrate on this area."

Another reason for optimism is that the Canadian government's Anti-Inflation Board plans to lift wage and price

controls in April.

"We're hoping that the lifting of these controls will stimulate business," says McFetridge, pointing out that his office's objectives are considerably higher for 1978.

A former R.C.A.F. pilot, McFetridge is a member of a Montreal Auxiliary of the R.C.A.F., and the

Laurentide Flying Club.

Joining the Montreal Group Office in 1957, he was appointed Assistant Supervisor there in 1959, Associate Supervisor in 1964 and Associate Manager in 1969. Later in 1969 he was appointed Manager of the Montreal Group Office.

U.S. Sales of Group Pensions Soar From \$9 to \$19 Million

Great-West Life's sales of group pensions (employee pension plans) in the United States rose from \$9 million in 1976 to \$19 million in 1977. This sudden rapid growth was the fruition of several years of careful planning by both the company's United States Marketing Headquarters in Denver and the Group Pension Department at the Winnipeg Head Office.

"A decision was made in the midseventies that U.S. pensions would be a growth market in the years to come," says John Smith, the company's Manager, Group Pensions for the United States. "We immediately began gearing up for it. We began redesign of our two major group pension products — the Tax Sheltered Annuity (TSA) and the Pension Investment Contract (PIC). This was done to make them more competitive in the marketplace. At the same time, we started developing new administration systems for them.

"In Denver, our marketing people

also began focusing on group pensions, getting input from the field on what changes should be made to the product, and developing training programs."

John Chenier, Manager, Group Voluntary Retirement Plans, stresses that "none of this could have been accomplished without the cooperation of our sales representatives. We work together on these things, getting their ideas of what is needed so we can develop a product that will sell."

In January, 1977, the revamped Tax Sheltered Annuity and the Pension Investment Contract were ready to go. After several years of development, new administrative systems had been designed for both products at a cost of one and a half million dollars.

The Pension Department was reorganized at the same time. Because the Canadian and American markets are so different, the Department has split along national lines, and further broken down into separate areas for each product.

Harriott and Associates: a Leader in the Development of New Products and Markets

When Claire Miller left Great-West Life in 1976 to become President of Harriott and Associates (1974) Limited, a subsidiary of Great-West Life, his main concern was to see the company achieve the growth and profit expectations envisioned when it was originally purchased.

Harriott and Associates has become a leader in the design, marketing and administration of complete benefit plans for professional associations, by tailoring a full line of insurance products specifically for them.

Miller plans to continue focusing on this area, which he describes as "that 15 percent of the market which cannot be served as effectively by employee-employer group or individual insurance products." He adds, "I am hopeful, too, that Great-West Life can learn more about 'mass marketing' by observing firsthand the results of our many initiatives."

Harriott and Associates' major clients include the Pharmaceutical Associations in eight Canadian provinces, the Retail Merchants Association, 130 Chambers of Commerce across Canada and the Society of Management Accountants.

New Product Strategy

The next year will see continued expansion of the company's full range of insurance products, as well as further development of its marketing organization

As part of its new product strategy, Harriott and Associates plans to increase sales of group property casualty insurance programs to several more Associations. The Company has already effectively developed these programs for the Pharmaceutical Association and the Retail Merchants Association.

During the 25 years he worked at Great-West Life, Miller rose through the ranks of its group marketing organization, and between 1971 and 1976 assumed executive responsibility for Group Operations.

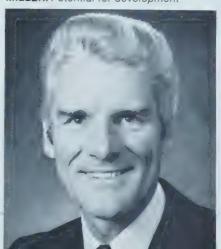
Acting on Miller's suggestion, Great-West Life purchased Harriott and Associates in 1974. As a subsidiary company, Harriott and Associates has regular interactions with the company, but not on a day-to-day basis. Miller points out that the majority of its transactions are with Great-West Life's Marketing, Legal, or Accounting areas, and its Corporate Communications and Services Department.

There were two basic reasons for Great-West's purchase of the Company, according to Miller:

"First, and foremost, it was a good investment. But importantly also, we recognized the great potential for development of new products, new markets, and marketing techniques which can be shared by both companies."

This potential for developing new market areas, particularly in the property/casualty insurance field, says Miller, is one of the most exciting prospects of the future.

MILLER: Potential for development



More Competitive Products

"Both the TSA and the PIC were redesigned with a different method of crediting interest," explains Don Jones, Great-West's Manager, Group Pension Sales U.S. "This has made them more competitive in the marketplace. The Pension Investment Contract, in particular, is unique in the U.S."

The new products have been well received, says Bob Kidd, Group Pension Manager at Great-West's Group Office in Philadelphia. In 1977 the Philadelphia Group Office set a company record with \$10,155,891 of net premium, of which \$3.5 million came from pensions.

"We've had a 35-40% increase in our TSA sales since the introduction of the redesigned product. Much of that came from our old customers who are now getting a better deal."

According to Kidd, the fierce competition between insurance companies and other financial institutions has contributed substantially to the success of the new products.

"Insurance companies can offer a high rate of guaranteed interest compared to banks, trust companies and the like. So a lot of money that used to go to banks is now going to insurance companies. There are no risks with insurance companies, no capital loss. The new ERISA legislation has caused plan trustees to adopt a more conservative stand with respect to the investment of their pension assets. Consequently they're investing more in insurance companies to obtain attractive returns."

Intensive Training Program

Along with the new products and new administration system, an intensive training program for Great-West's group representatives is now in effect.

"We hire about twenty college graduates a year," says Don Jones. "In addition to training seminars here in Denver, they go up to Head Office for a one week training seminar which includes group pensions. We also have correspondence courses for them. They get all the help they need in starting their careers. We also hire experienced representatives from other companies and they too, are very valuable to us."

Investment Division Contribution

John Smith gives credit to Great-West's Investment Division for a strong contribution to the group pension initiative

"They have successfully invested the premiums at rates that can support the product. They've coped admirably with

the challenge of handling so many more premium dollars than anticipated. If they hadn't been able to do this so successfully, we would probably have been forced to shut down some product lines." (See article "U.S. Cash Flow Almost Double The Estimates" on page 20).

Smith sees "nothing but good things ahead" for Great-West Life's U.S. group pension market. Chenier adds, "We're establishing an excellent position for ourselves in the Tax Sheltered Annuity market and we expect it to become even better as time goes on."

Smith concludes: "Great-West Life took 48 years (from 1928, when it entered the pension business, to 1976) to reach its first billion in pension assets. The next billion will come within the next 5 years. Already 47% of the company's assets come from Canadian and American pensions."

The company's Canadian Marketing organization is beginning its own group pension initiative this year. Next year, *Report* may well have a similar story to tell of the success obtained north of the border.

North to Alaska



PIPELINE: Largest oil and gas reserves in U.S.

Great-West Life really does have satisfied policyholders all over North America — even in Barrow, Alaska, the most northerly city in the United States.

Six hundred teachers and municipal workers (of whom 75% are Inuit) of the North Slope Borough and School District are now insured with Great-West for life and health insurance, accidental death and dismemberment insurance, and dental, vision and audio coverage.

"Great-West Life was able to reduce their overall health insurance premiums to the cost of the claim itself plus an administrative charge," says Richard Wagner, a Great-West Life representative in Fairbanks, explaining why the borough switched from state to private coverage. Wagner notes Great-West was also able to offer a lower life insurance rate.

"Land of the Midnight Sun" is no cliche to Barrow residents. They get solid daylight from mid-April to mid-August, but 56 straight days of darkness in winter. Temperatures range from -24°F in January to +46°F in July. February of 1924 was a month Barrowites still talk about — a record -56°F on one dark day. Three years later, in July, the temperature peaked at another record of +78°F

Barrow residents do, however, keep themselves warm all year long with the largest known oil and gas reserves in the U.S. "Since the ten largest property taxpayers in the North Slope Borough are all oil-related industries," says Wagner, "the Borough will soon be the richest per capita governmental unit in the United States."

Under the Native Claim Act of 1971, the Arctic Slope Eskimos are to receive title to their village and traditional hunting lands, plus \$47 million to manage these 5 million acres. The transfer of land plus the oil and gas income will be used by Barrow's 9000 residents to upgrade their standard of living.

Brokerage Business Booming

In 1977, of Great-West Life's total United States individual business, \$75 million (measured by face value of the insurance sales), came from brokerage sales — sales placed through an independent broker rather than a company agent. Brokerage business is becoming an important supplement to Great-West's career agency organization.

For decades after Great-West Life opened its first U.S. branch in 1906, the company's operations in the country were essentially brokerage, explains Don Elliott, C.L.U., Great-West's Vice-President, U.S. Marketing.

"About 1950, the decision was made to develop the career (individual agent) side of the business. This soon outstripped the brokerage side. Now we are restoring the balance. The brokerage market is a very important part of our overall business."

Great-West Life's brokerage initiative in the United States started building in 1975. The momentum has been increasing greatly. In 1976, brokerage business accounted for 12% of the Company's total individual U.S. sales. In 1977, it had increased to over 20%. Elliott is hopeful of an increase to 25% in 1978.

During the past two years, Great-West Life has established brokerage offices in several major cities across the United States. It also has brokerage managers working within some of its branch offices, in other major market centers.

Because Great-West brokerage managers act as a liaison between Great-West Life and the brokers in their area, Elliott stresses the importance of having just the right person.

"Product and price, of course, are the big initial selling features. They are always extremely important. But service and the personal relationship between company and client play a big part later on"

ELLIOTT: Restoring the balance in the U.S.



"The key is really the brokerage manager himself. He becomes known personally among local brokers and so does the service he can provide. Great-West's underwriting capabilities and service are rated extremely high. As our name and reputation become better known, getting good business will become easier for us."

Although Elliott plans on opening some new brokerage offices in 1978, main emphasis will be on the expansion and development of current offices.

"Our brokerage operation is maturing at a very fast rate and its productivity is, of course, increasing also. That, along with further product and price improvement, will give us another year of banner growth in the brokerage market."

In the Canadian market, brokerage business is just now becoming a factor says Reg Abbott, CLU, Vice-President, Marketing (Canada), and Great-West's Canadian marketing organization has just begun its penetration into this market.

"We operate on a different basis than our U.S. counterparts," explains Abbott, "because in the U.S. brokerage is big business and Great-West Life has to be able to compete on a level with many other large companies. We studied the question carefully and came to the conclusion that for our purposes brokerage within our branch offices would be the best operating method. Placing business from brokers usually means lower costs and these savings can be passed along to our branches to help in their unit cost operations."

Abbott reports that the Canadian emphasis is on the Disability Income market for one very good reason — they have a captive audience.

"Disability Income business is a funny thing, you have to go into it in a big way or it can kill you financially. In the past couple of years some of the big Canadian life insurance companies dropped Disability Income from their portfolios, so Great-West decided to go

ABBOTT: A growing market in Canada.



the other way and take advantage of this open market."

It was a smart move. In 1977, the company's Canadian brokerage business increased from \$1.6 million placed volume to \$15.4 million, \$10.5 million of which came from Disability Income insurance.

A further \$71.6 million placed volume in Disability Income came from Great-West Life agents, the best year, Abbott notes, they have ever had in this market.

Great-West Life has established itself as the strongest leader in the Disability Income field in Canada.

Regional Marketing Offices move "Where The Action Is"

With twenty-four sales and service offices in Ontario, the opening of Great-West Life's Eastern Region Marketing Office in Toronto in the spring of 1977 was a natural progression for the company.

"The Southern Ontario area represents a vitally important market for the company," says Reg Abbott, C.L.U., Great-West's Vice-President, Marketing Canada, "and it just makes sense to have this market administered from Toronto rather than from our former office location in Winnipeg's Marketing Canada Headquarters." He notes that the Quebec Region Marketing Office, responsible for the Company's offices in the Province of Quebec, has been located in Montreal for several years.

"This move enables me to get closer to the market I'm responsible for — Ontario and the Maritimes — and more quickly recognize its potential," says Regional Director Ted Woodrow, whose new quarters are on King Street, in the centre of Toronto's financial district. "This is where the action is."

Woodrow finds communication with the company's branch and group office managers much quicker and more effective.

Great-West's Western Region Marketing Office is following suit with a move to Calgary in April, 1978. It has responsibility for the 36 offices in Manitoba, Saskatchewan, Alberta and British Columbia.

"Alberta and British Columbia are Western Canada's growth areas right now," says Jack Gibson, Regional Director, "especially Alberta. This is reflected in all our dealings there — sales, investments, everything."

Although the emphasis will be on the westernmost provinces, Gibson stresses that the steady growth pattern of the Company's Manitoba and Saskatchewan operations will not be neglected.

U.S. Cash Flow Almost Doubles Estimates



McQUEEN: More money for investment.

When Great-West Life drew up its 1977 cash flow estimates (the amount of money left for investment after payment of claims, dividends, and so on), it predicted about \$105 million would be available in its United States life

In fact, by the end of 1977, \$175 million had flowed through the U.S. life account — money from life insurance, pensions, annuities and policy payments. A further \$26 million was available in the U.S. health account from the sale of various health insurance related products. Another \$40 million was borrowed in anticipation of the 1978 cash flow, expected to set new records.

Explaining this unanticipated cash flow increase, Don McQueen, the company's Director, Investment Policy, says it was largely due to changes in U.S.

retirement legislation.

"In 1974 the United States government passed ERISA (Employee Retirement Income Security Act) and trustees of private employee benefit plans had to follow new rules on such things as eligibility, vesting and funding. Now, these trustees are showing greater conservatism in their investments and swinging from equities to guaranteed investments."

McQueen also notes the purchase of annuity products seems to be growing as more people become aware of the tax advantage of this form of saving.

Stepped-up Activity

For the people in Great-West's various investment departments, this increased cash flow has meant stepped-up activity during the past two years.

"Our U.S. mortgage program has more than doubled — from \$49 million in 1975 to just over \$120 million in 1977," reports Marshall Smith, the company's Director, Mortgage & Bond Investments, "and in 1978 we are expecting an increase in new mortgage investments to approximately \$150 million.

"Similarly, our U.S. bond program has grown from \$41 million in 1975 to \$72 million in 1977 with an anticipated 1978 program in the \$75 million range. During this same growth period, we established the Real Estate department which went from virtually no activity in 1975 to an annual volume of \$40 million in 1977 and probably will reach \$60 million this year."

The Division has big plans for its Real Estate department, according to Ross Purchase, Manager, Investment Policy.

"We're going to be much more aggressive in acquiring direct-owned real estate as opposed to making mortgage loans. For the past two years, we have been stressing the development of inhouse expertise in this area and we'll be devoting ever-increasing sums to real estate."

Changes in Strategy

In the area of mortgage loans, the increased cash flow has resulted in changes in the Investment Division's strategy, according to Smith, "Until recently our mortgage investments were in the \$1 to \$2 million range, but we are now seeking opportunities as high as \$5 million or more."

The Division continues to spread its mortgage investments over a wide variety of projects, ranging from apartment buildings, office and warehouse buildings to shopping centers, hotel and motel properties. Smith notes there is an increase in the number of loans to nursing homes and hospitals (over 20 years ago Great-West Life was one of the first insurance companies to become involved with nursing homes).

Another result of the increasing



PURCHASE: More aggressive

amount of money available for investment is a need for more staff. Smith feels the Division's personnel will double in the next five years to meet the demands of investing the burgeoning cash flow.

A new manpower development program is being set up within the Division to ensure, firstly, that all new recruits will meet exacting high standards and, secondly, that they undergo an intensive two-year training program in all five Divisional departments; mortgage and bonds, common stock, real estate, investment policy, and investment administration.

Putting out to Sea

In 1892 when Jeffry Hall Brock first opened Great-West's doors to business on Winnipeg's dusty Main Street with the aim of raising, through this insurance company, capital to help in the development of the western Canadian prairies, he probably had no idea that one day Great-West dollars would also be invested on the high seas around the world.

Today, it's happened.

Oceanic Finance, a partnership formed in 1977 between Genstar Limited, the Fednav Group, Power Corporation and Great-West Life, will combine the expertise of the international shipping industry with a link to the world's capital markets. Oceanic's principal role will be in negotiating

shipping loan transactions, as well as investing as a principal partner in some of these transactions.

The shipping industry is one of the largest in the world in terms of capital employed, cash flow generated, and the number of people involved, says Marshall Smith, Great-West's Director, Mortgage & Bond Investments. He adds that there is an increasing need for more sources of capital and expertise in ship financing and this is where Oceanic comes in.

"The bulk of Oceanic's business will be arranging for resale of second-hand ships," says Smith, who represents the company on Oceanic's board of directors. "Once new vessels have exhausted their tax benefits, the owners sell them and then lease them back while retaining the operational benefit."

Smith notes that Oceanic will also arrange financing for new construction and possibly become part-owner of a ship which it would lease out.

Headquartered in Hamilton, Bermuda, Oceanic will deal in small 25,000 to 30,000-ton ships valued at between \$5 and \$15 million.

According to Smith, Great-West Life is projecting an excellent annualized rate of return on its Oceanic investment.



SMITH: A need for capital and expertise

Great-West Life's newness in the shipping industry is more than made up for by its Oceanic partners. The Fednav Group will lend to the partnership their expertise as Canada's largest ocean shipping group, with assets in excess of \$200 million. Genstar Limited, one of Canada's largest diversified corporations with assets of \$1.2 billion, is involved in shipbuilding. As the nation's largest tug and barge operator, Genstar is ac-



30,000 TONS: Typical of tankers to be financed.

tively engaged in projects in the North Sea, the Mediterranean, the Middle East, and the Arctic. The fourth partner, Power Corporation, has Canada Steamship Lines as one of its subsidiaries.

Like the international shipping industry whose needs it now will serve, Great-West Life, through its partnership in Oceanic Finance, looks forward to "smooth sailing" in 1978 and the years ahead.

Phoenix Landmark Purchased by Great-West and Rostland

Since 1929, the Arizona Biltmore has been a Phoenix landmark as one of the world's luxury hotels. Now, the Frank Lloyd Wright-designed resort hostelry is partly the property of Great-West Life through the company's equity interest in Rostland Corporation and its subsidiary, Rostland Arizona, Inc.

Formed in November of 1976, Rostland Corporation is a partnership between Great-West Life and seven prominent businessmen, including Kenneth Rotenberg - a Toronto developer of prime-quality office and residential complexes. Rostland was formed with the objective of capitalizing on special real estate acquisitions or development opportunities which permit joint venture arrangements. The Arizona Biltmore purchase was made by Rostland's subsidiary, Rostland Arizona, Inc., a partnership of Rostland and Great-West Life which will handle all that company's U.S. ventures.

"Because of Great-West Life's involvement with other development companies," says Jim Mitchinson, Great-West's Director, Real Estate Investments, "we can contribute extensive knowledge of real estate development, plus financial expertise, to our association with Rostland Corporation."

The 300-room Arizona Biltmore is the only resort hotel in the U.S. to have earned Mobil Travel Guide's 5-star rating for 18 consecutive years — and no wonder. It boasts a large health club, 19 tennis courts, two 18-hole golf courses, an Olympic-size swimming pool, and a pro shop.

Frank Lloyd Wright based his design for the hotel on the desert surrounding it — broad open spaces, muted colors, desert plants. The concrete was made from Arizona sand, the roof from Arizona copper. The hotel is resplendent with carpets, furniture, and pictures designed by Wright, and the menus, matchbooks, cocktail napkins, and check presentation covers are also based on Wright's designs.

The \$26.7 million price which Rostland paid for the hotel also includes 81.5 acres of land and on 26.5 acres Rostland, in a joint venture with a Phoenix contractor, will build 66 townhouses and 37 patio homes. The remaining 55 acres have been sub-divided into sixty-four estate lots for luxury homes surrounding the golf courses. Rostland is also considering expanding the hotel to 388 units.

The former owners of the hotel have retained the remainder of the Arizona Biltmore Estate comprising 1,045 acres of land surrounding the hotel which they plan to develop with estate-size homes, single family homes, townhouses, apartments, a shopping centre, and an office park.

Another Rostland project underway in Phoenix is Scottsdale Shadows, a joint venture with a local contractor to complete a partially-developed thirteen-building condominium complex.

Rostland also has its eye on Edmonton, Calgary, Toronto, Dallas-Fort Worth, Houston, Los Angeles and San Diego as possible sites for future developments.

ARIZONA BILTMORE: Purchase includes 81.5 acres of land for development.



Quebec Assets Equal Liabilities

G.W.L. Quebec Investments Increase by \$43 Million in 1977

While Quebec's political situation has caused some corporations to move key departments to other Canadian cities and to hold back on investment plans in "La Belle Province", it's still business as usual with Great-West Life's Investment Division. In 1977, Great-West committed \$42,860,000 to a wide variety of investment vehicles in Quebec and felt quite confident in doing so.

"This \$42.9 million is consistent with our anticipated growth in liabilities in the province," reports Marshall Smith, the company's Director, Mortgage & Bond Investments. "Because we occupy a strong position in the Quebec insurance market, we felt that our premium income from Quebec policyholders would grow substantially during 1977. Therefore, we made large investment commitments which we felt would result in a net increase in our Quebec assets in 1977."

Over half the company's 1977 investments (\$27 million) were in bonds and debentures in major corporations such as Hydro-Quebec, and Campeau

Corporation. The remainder followed Great-West's policy of distributing investments regionally whenever possible, so that funds are invested in or near the region from which they originate.

The company's Investment Division tries to place funds in many different types of investments and in towns as well as large cities.

Over half of the \$350 million Great-West currently has invested in Quebec is in shopping centres (Joliette, Chateauguay, St-Eustache, Milles Iles), apartments, hotels (Montreal's Downtown Sherbrooke Street Holiday Inn), office buildings (Place de la Capitale in Quebec) and industrial buildings.

Among the towns benefitting from Great-West investment in 1977 were Trois-Rivieres (an office/retail building), St-Romuald (a bank building), Ste-Foy (two new office buildings), Ville D'Anjou (a 111-suite apartment block), and the Montreal suburb of Kirkland (a shopping mall).

Great-West Life also owns Montreal's giant trade mart/office/shop-



BAILLARGEON: Maintaining the balance

ping/hotel complex, Place Bonaventure, and has located its Quebec Marketing Headquarters there and one of its six Quebec sales branches.

Smith notes that a natural byproduct of these investments is the thousands of jobs provided by construction work on new or renovated buildings and when stores open up in a new shopping centre.

"Great-West Life invested assets currently are greater than liabilities to policyholders resident in Quebec," says Denis Baillargeon, the company's Regional Director for Quebec, "and this balance will be maintained in the future."

Great-West Seizes Investment Opportunities Across Alberta



MACLACHLAN: Acting on opportunites

You're not likely to see any burnoosed Arabian sheiks in Alberta, but you might well see the Canadian version of oil millionaires, complete with cowboy boots and stetsons. Thanks to the billions of barrels of oil lying under Alberta's fertile soil, the province's economy is booming, providing excellent opportunities for Great-West Life investments.

In 1977, Great-West's mortgage commitments in the province amounted to \$82 million, one-third of its total Canadian commitments.

"Last year Alberta had the fastest-growing economy of any Canadian province," says John Maclachlan, Manager Mortgage Investments. "New buildings were going up at an extremely fast rate. The opportunities were there for the Company to make some excellent mortgage loans. We did business all over the country, of course, but it's only good sense to concentrate on an area where we can make the best deals."

While the bulk of the lending was split between the province's two major cities, Edmonton and Calgary, in a variety of properties including shopping centers, government-sponsored and insured apartment buildings, warehouses, office buildings, and restaurants, several

loans were made in Alberta's smaller towns.

Government Encouragement

"The Provincial Government of Alberta is encouraging decentralization of commercial activity and actively fostering development in smaller centers," explains Maclachlan. "This fits right in with our practice of acting on excellent investment opportunities in these towns."

A major recipient of Great-West's Alberta-destined mortgage money in 1977 was Red Deer, population 32,000 and growing.

"Red Deer is gaining importance as a regional government administrative center and as the site of an active petrochemical industry," says Maclachlan. "Being right on the highway between Calgary and Edmonton, it's a very visible city. Its disposable income per capita is the third highest in the province. We've been doing business in Red Deer for several years."

Included in the company's mortgage commitments in Red Deer last year (scheduled for funding in 1978 or later) were a six-storey apartment block, a warehouse in the Canadian National Railway Industrial Park, an office building, and a \$2.2 million loan to the new Red Deer Industrial Park.

Last year Great-West also financed shopping centers in Cochrane, Taber, Brooks and Okotoks. "Since we financed the only other shopping center in Okotoks, Great-West Life's involvement has really been a boon to this town," points out Maclachlan.

Both Medicine Hat and Lethbridge have new Great-West-financed office/warehouse buildings leased by Alberta Government Telephones. The company also committed \$340,000 for another commercial building in Medicine Hat.

Great-West Life's Real Estate Department, created two years ago, has purchased \$22.7 million of property in Calgary and Edmonton, mostly in office and warehouse buildings.

Oxford Square

Great-West Life has also financed construction of many of Edmonton and Calgary's major buildings. For example, 1977 saw the completion of Oxford Square, Calgary's most ambitious new development.

In the heart of Calgary's high-rise area downtown, Oxford Square features a two-and-a-quarter acre glass-enclosed public park; 218,000 square feet of retail space occupied by 90 shops and restaurants; and 790,000 square feet of space in the 33 and 32-storey office towers. The complex was developed by Calford Properties, Ltd., a joint venture between the Oxford Development Group Ltd., (in which Great-West has a 25% equity interest), Great-West Life, Dome Petroleum, Birks, and National Trust.

Great-West Life has been investing in Alberta's mainstay oil and gas industry for several years. 1977 was no exception. The company provided a \$7 million loan to Sulpetro of Canada Limited and a \$1.3 million loan to Colonial Oil and Gas Limited. Both firms are engaged in the exploration, development, production and sale of oil and gas reserves in Alberta and other areas of Canada.

"These loans are secured by the oil and gas reserves in the ground. Repayment occurs as the oil and gas is produced and sold in the market-place," explains Ray McFeetors, Bond Investment Officer. "Although these loans are extremely complex transactions involving considerable negotiation, the returns to the company are good."

In November of 1977, at a cost of \$3 million, Great-West purchased 30,000 preferred shares of Calgary Power Limited, Canada's only investor-owned electric power utility which supplies electric power to a large portion of



OXFORD SQUARE: Enclosed public park.

Alberta. McFeetors considers it one of the best electric utility companies in North America.

Building & Banking Investments

Another excellent investment opportunity arose last year when the employees of Poole Construction Limited of Edmonton, headed by Robert Stollery, President, purchased the company from the founding Poole family. Great-West was successful in acquiring a 15% equity interest in Poole, which is the country's largest Canadian-owned general contractor with operations across the entire continent.

In the spring of 1977, Great-West made its second loan (\$2.5 million) to Revelstoke Companies Ltd., a retail building materials distributor. Head-quartered in Calgary, Revelstoke is one of the largest distributors of home building materials in Western Canada.

A slightly different investment took

place when Great-West Life became a partner in the Canadian Commercial and Industrial Bank, established in 1976 and Canada's eleventh chartered bank.

"This is a wholesale, rather than a retail bank," explains Bob McConkey, Great-West's Director, Common Stock, and the company's representative on the bank's board of directors. "It deals strictly in loans to mid-sized companies. It's not the sort of bank where people deposit their weekly pay. We felt there would be very strong profit opportunities from an association with this bank because there was a market for the service it had to offer. To date, the bank has been extremely successful, realizing profits every month since its opening."

All these investments not only show why Alberta is the fastest growing provincial economy in Canada, but they also indicate that Great-West Life is more than keeping pace with the province's phenomenal progress.

Crysdale Likes GWL"Management Style"

Early in 1977 after 44 years with the company, Bill Lang, Great-West Life's Vice-President, Investments, retired. Succeeding him as the man charged with managing the company's \$3 billion in assets was James R. Crysdale, formerly senior vice-president in charge of funds management at the Bank of Montreal, Canada's third largest bank.

One year later, firmly settled in his new position, Crysdale has definite ideas of where Great-West Life's Investment Division is heading.

A Peer Environment

What drew Crysdale from Montreal to Great-West Life's Winnipeg head office was the challenge of the job and the management environment.

"The senior officers at Great-West are allowed a great deal of autonomy and that's an environment in which I can function well."

Great-West's management style is one that Crysdale practices himself in what he characterizes as "a peer environment."

"Every person in this division is a professional in his or her own field and I try to treat them as such. If you respect people as professionals, then they will work harder and set tougher performance standards for themselves. Recognition breeds motivation."

Adds Crysdale succinctly, "Being an effective manager is one of the hardest things in the world to learn."

When he took over in March, 1977, Crysdale found "a high degree of professionalism and technical expertise for which I have developed a very healthy respect."

He was particularly impressed with the division's enthusiastic response to the increased cash flow in 1977 (\$517 million instead of the \$418 million anticipated).

"We have enlarged our capacity to handle more work and we will continue to encourage heavier premium inflow. At the same time, we must ensure that the quality of our underwriting work and asset management remains high."

Training Program

One way to maintain high quality work is to ensure the calibre of future management personnel. Towards that end, Crysdale has implemented an ambitious training program for new Investment Division recruits. Trainees will, over an 18 to 24-month period, work in each of the division's five departments — mortgages, bonds, common stock, real estate and administration — gaining exposure to the main functions of each



CRYSDALE: High standards for himself and his staff

department. A performance appraisal will be completed at the end of the trainee's stint in each department. By the time the training period is over, both the trainees and the departmental directors will have a very good idea of where skills and interests best match up.

Crysdale's standards are high, for himself and for the people who work under him, and he feels this Manpower Development Program will help in ensuring these standards are maintained in the future.

"The long-term effects of this training program won't be felt for several years, of course, but one result will be to maintain a division composed of above average, highly-trained career professionals."

Although Winnipeg is a thousand miles from Toronto, Canada's financial capital, Crysdale doesn't perceive this as any particular disadvantage.

"We're a company big enough in Canada to be exposed to the full stream of new investment proposals. Our regional property offices in Montreal, Toronto, Winnipeg, Calgary, Edmonton and Vancouver, fill an extremely valuable role in originating and negotiating mortgage loans and real estate investments. One thing we try to do in order

to maintain a positive rapport with borrowers, developers, and investment bankers is to respond as quickly as possible to inquiries and new investment opportunities. Raw information is only a phone call or telex message away.

"However, those of us who are based in Winnipeg do miss out on some of the intangible benefits like the get-togethers at cocktail parties and dinners where you meet other business people and pick up little tidbits of information."

Crysdale tries to maintain important "social" contacts on frequent trips to Toronto and Montreal, dropping in for short visits with the many senior people he knows in Canada's major financial institutions.

He also feels that Great-West Life investment personnel spend more time travelling than do the people from any other insurance company. "That's the price we pay for our location. We have to be highly visible in the marketplace."

At the end of his first year with Great-West Life, Jim Crysdale does not regret his move westward. "I'm on an upswing again, both in my personal growth and in my on-the-job effectiveness. I'm thoroughly enjoying myself. After all, if you're not having fun in your job, what's life all about?"

Death Claims Increase to \$26 Million: Circulatory System Diseases Are Major Cause

In 1976, Great-West Life paid out \$26,526,219 in death claims to 3,225 beneficiaries. On paper, these are just numbers; in human terms they mean much more:

A Mississauga, Ontario man who died of cancer at the age of only 25. A 59-year-old resident of Edmonton, Alberta, who died of arteriosclerotic heart disease. A Minneapolis, Minnesota woman who died at 33 of cirrhosis of the liver. A man in Ottawa, Ontario who died of stomach cancer at 49. A Dallas, Texas woman who died of bronchopneumonia

Dr. Bob Beamish, Great-West's Vice-President, Underwriting and Medical, sees the human side of these deaths and mourns the fact that many of them could have been prevented.

Heart Disease

An analysis of Great-West Life's death claims for 1976 shows the largest proportion of deaths (46.5%) were the result of diseases of the circulatory system, including heart disease. This is a 6.6% increase over the total of death claims for 1975. Nationally, however, the figures are more encouraging.

"Between 1950 and 1963, the ageadjusted rate for coronaries increased 19%," reports Beamish. "However, in 1964 the U.S. Surgeon General's report on smoking came out and at the same time the American Heart Association started their campaign for a low-fat, low-cholesterol diet. From 1964 to 1971 the coronary rate fell 10.5% — and now it is very gratifying to see the rate is still falling."

The "women's movement," however, is taking its toll. More and more women, and at younger ages, are now suffering coronaries. These deaths are due, Beamish feels, to the fact that more women are entering what was once mainly "a man's world" of business and these women are now subject to the same stresses as the men.

Stress is only one contributory cause of heart disease, however. Lack of exercise, heavy smoking, high cholesterol from too many fatty foods (North Americans are eating more meat fats than ever before) and high blood pressure all make people more susceptible to heart problems.

High blood pressure, in particular, affects 15% of the population and was, at one time, a leading cause of death and disability. Now it can be effectively controlled by drugs and this reduces the incidence of heart failure.

"We are issuing more and more standard rate insurance to people with high blood pressure now because, with their condition controlled by drugs, their life expectancy is much greater," says Beamish.

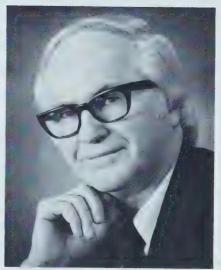
Cancer

The second major cause of death among Great-West Life policyholders in 1976 was cancer, accounting for 20.2%.

Cancer, unlike heart disease, is more controllable than preventable. The major preventative step, of course, is to avoid smoking. Beamish stresses that smoking is clearly and irrefutably linked to cancer of the lung, and to the less-common cancers of the throat, nose, mouth and even of the bladder. More women are smoking, and lung cancer is on the rise among women.

"If you have been smoking for 20 years, every cigarette you puff shortens your life by 14.8 minutes," warns Beamish, "and while you are still alive you can develop bronchitis, emphysema, and heart disease, as well as cancer." (Diseases of the respiratory system, including bronchitis, accounted for 8.7% of deaths and heavy smokers are much more susceptible).

Many causes of cancer are environmental — for example, among workers in coal mines or asbestos plants. However, Beamish debunks the recent



BEAMISH: Toward a better lifestyle

scares about carcinogens in everything from bananas to peanut butter.

"This aspect is highly over-rated. In spite of all the dead white rats, no one has proved anything."

The major control step for cancer, apart from not smoking, is simply early diagnosis and treatment. New methods of treating cancer are constantly being developed. Unfortunately, many people who fear they might have cancer are too terrified to go to a doctor.

Automobiles

In 1976, forty-seven Great-West Life policyholders died in motor vehicle accidents, the No. 2 killer in North America. And it's mainly young people who are being killed. The highest incidence of deaths is in the 20-24 age group with the 15-19 age group running a close second. In fact, almost half of all causes of deaths in the 20-24 age range result from car accidents.

Traffic accidents are killing more Canadian and American young people than any war ever has. Of all the leading causes of death, motor vehicle accidents are easily the most preventable. Defensive Driving Courses, the use of seatbelts, lower speed limits, more severe punishment for impaired drivers — all these steps can significantly reduce car accidents. In fact, U.S. traffic and highway deaths dropped a dramatic 17.1% from 1973 to 1975 due primarily to a lower speed limit and stricter safety requirements in cars.

Bad driving habits start early in life and "the road to accident prevention" starts in the home.

Setting a good example for children means not driving after drinking; driving within the speed limit; in a winter climate making sure all windows are clear of frost and ice and driving with more caution if roads are slippery with ice, snow or rain; not trying to beat the red light, and signaling when turning or changing lanes; passing only when safe.

Suicide

In 1976, fifty Great-West Life policyholders committed suicide. The national rate is rising by 5% every year. The 20-24 age group has the highest percentage. Accident investigators think many deaths listed as motor vehicle accidents are, in fact, suicides. When a car plows into a concrete abutment, it's impossible to say whether the driver was momentarily distracted or taking deliberate aim — but investigations often reveal the victim of this type of accident had previously indicated to friends or relatives a desire to "end it all."

Distress call centers are set up in most major urban centers today, recognizing that suicides are mainly due to the impression that "no one cares." If someone cares and if that fact registers with the depressed individual, there's a better chance the tragedy may not happen.

This is easy to say but hard to put into practice, especially with men. Women tend to show their emotions while men tend to keep their feelings pent up. The result — although women attempt suicide about three times as often as men, three times as many men succeed in killing themselves.

"If Only..."

"It's very sad to see our death claims and know that so many of them need not have happened," says Beamish. "If people would only take care of themselves with proper diet, exercise, less smoking and drinking, a more relaxed lifestyle ... there would be many more men and women living out their alloted life span. There would not be so many people dying slowly and painfully from cancer or becoming partially paralyzed by strokes."

Beamish sums it up succinctly: "The way we live determines the way we die."

A Better Lifestyle — How To Avoid Stress

Stress is a normal part of life, says Dr. Beamish, Great-West Life's Vice-President, Underwriting and Medical, but in excess it may contribute to heart disease, asthma, hypertension, and a variety of other life-shortening conditions. How do you know if you're under heavy stress?

"Each week's duties require increased effort, problems seem to grow in number and magnitude, other people seem more difficult, and use of the body declines. Often we cannot remember when we last felt well, happy or relaxed."

Once stress is recognized, it can be reduced, primarily, says Beamish, by controlling the "pollutions of life."

Noise pollution — get away from the noisy city when you can, keep the radio or television down or off completely, get carpets for soundproofing, control the kids.

People pollution — get away from crowds and the growing rudeness, hostility and aggression of cities. Avoid crowded buses and trains.

Heat and air pollution — get an air conditioner.

Smoking, over-eating and lack of exercise also appear to be related to stress and Beamish points out that even a moderate effort to control them can be of value.

He recommends cutting down on high-fat, high-cholesterol foods that are high in calories to achieve an ideal weight (for most people, an ideal weight



BRAIN WORKERS: Develop a physical hobby

is what they weighed in their mid-20's).

Beamish says that for the average person "two or three half-hour periods of rational training every week are sufficient to build up and maintain good physical fitness."

He cautions, however, that no severe exercise program or drastic change of diet should be undertaken without consulting a doctor.

Learning to relax is also important. Beamish suggests developing a hobby that is different from daily work. "Brain workers should develop physical recreations — walking, swimming, golf, skiing. Physical workers should develop mental recreations such as reading or painting."

Beamish also emphasizes the importance of recognizing the self-destructiveness of such emotions as hostility, frustration and anxiety, and learning to deal with them.

All these suggestions on "how to handle stress" add up to a better lifestyle and are well worth following because, as a well-known safe-driving slogan puts it, "the life you save may be your own."

"Bouquets" For G.W.L. Service

Great-West Life received over 300 "bouquets" in late 1976 — stemming from a survey of 625 owners of maturing policies. Of those responding, two-thirds felt the service offered by the company's representatives in explaining available options and delivering the check was "excellent," while most of the remainder rated it "quite satisfactory."

"Considering that most people tend to speak up only when dissatisfied, we are very pleased that of the 48.1% who replied, a huge majority were pleased with our service," says Ted Gacek who, as Supervisor, Premium Accounts in 1976, was in charge of the survey. (Gacek is now Senior Insurance Systems Analyst). He notes that a similar survey on policy loans drew a 62% response, again indicating satisfaction.

Gacek feels the only accurate way to measure policyholders' opinion of the

quality of Great-West's service is to ask. "In many cases, people signed the survey forms. If they indicated any dissatisfaction, we were able to contact them and, in some cases, clear up misunderstandings."

Many respondents offered unsolicited comments, such as: "My deep appreciation and thanks for the excellent way my insurance has been handled by your office and your local agent."

Or this one: "Your service was always courteous, always in good time and, in my estimation at least, two notches above excellent."

Many individual agents came in for praise:

"He is courteous, thoughtful, and a pleasure to have calling at our home."

"I have never before had such a sincere, friendly, and pleasant young man visit me on a business matter."

"I could not have been better served by your local representative, and would most heartily recommend him for his efficient handling of my policy."

Suddenly The World Is Halved

When a wife becomes a widow, suddenly her world is halved. Moreover, just at the time when she is most vulnerable, the new widow finds herself called upon to make major financial decisions involving large amounts of money—insurance proceeds, pension refunds, savings accounts. If she is a Great-West Life policy beneficiary, living in Winnipeg, she can count on skilled assistance in handling her problem from John Schultz, the company's Winnipeg Beneficiary Service Representative.

As an agent with Great-West Life's Winnipeg Royal branch, Schultz found he was gradually becoming more and more involved in counselling widows with Great-West Life policies. He was finding, too, that these widows had never been told they didn't have to take their beneficiary proceeds in cash — they could elect annuities or retirement savings plans or other options sometimes better suited to their needs.

In January, 1977, Schultz became a salaried representative working mainly with widows who are beneficiaries of Great-West's group insurance plans. He also handles individual life and annuity cases for some of the company's Winnipeg agents who find themselves uncomfortable dealing with new widows.

When Schultz is notified of a death, he calls the widow, explains his services, and suggests an appointment. Almost invariably he finds she's grateful for his call and anxious to talk to someone who can clear away the confusion surrounding her finances. Schultz spends his first interview explaining carefully how he can help her; during a second interview he collects all the necessary information about the widow's financial situation including life insurance proceeds, savings accounts, Canada Pension Plan and private pension plan benefits, Old Age Security benefits, and so on. At the third meeting he presents her with several alternatives for co-ordinating her assets, then leaves her to think them over.

SCHULTZ: Aid that widows welcome.



"What I do, in essence, is help her determine her monthly income needs so that we can replace the husband's income as much as possible, ensuring that she will not have to reduce her standard of living unnecessarily. To me, there's nothing sadder than a woman living on a reduced income when she has \$50,000 just sitting there in a bank because no one ever told her there were other things she could do with it to maximize her spendable income.

"I utilize not only the products and services of Great-West Life but also those of other financial institutions such as banks, trust companies or credit unions to use the widow's money to her best advantage."

Every case is different

Schultz notes that every case is different. The needs of a widow with young children are quite different from those of a woman whose children are grown or one who has a job and no dependents.

"Whatever the widow's needs, Great-West Life has a product to meet them, long-term or short term."

Schultz does not discriminate against small policies.

"The man with the \$1,000 Great-West Life policy may have had a \$50,000 policy with another company and \$40,000 in pension refunds."

Because sound financial planning for a widow's future often results in sales of Great-West Life products, Schultz estimates that in the three or four years he has been working with widows, he has channeled over \$500,000 in premium to the company.

Schultz has found that group plan administrators, lawyers and accountants with whom he has dealt have been tremendously enthusiastic about this program because they recognize the special needs of widows and many of them readily admit they haven't enough knowledge in this area.

Schultz believes that Great-West Life is the only life insurance company in Canada offering such a specialized service but he feels that it's only a matter of time before other companies start similar programs. Plans are that once this Great-West service is well-established in Winnipeg it will be offered through the company's other branches.

"Everyone benefits from this service — the beneficiary because she is making the best use of her money, the company through some additional business, and the agents who use the service and receive credit for informing policyholders and beneficiaries of the expert assistance which Great-West Life is prepared to give when a wife becomes a widow.



FIRST POLICY: From Dr. Beamish for new daughter of Jill Fildey, former lead programmer on the new system.

New System Now Handling Individual Life Policies

Last year's *Report* featured an article on Great-West Life's development of a new business issue system, designed to speed the processing of the 50,000 individual insurance applications the company receives each year. In November, 1977, after three years in the making, the new system came "on stream"

Under this new system, vital information from the insurance application (beneficiary's name, amount of premium, settlement options, etc.) is fed directly into the company's computer immediately upon receipt at Great-West's head office. Once an application has been approved by the Underwriting Department, the computer, rather than a typist, produces the policy pages specifying premium amount, insured's name, cash values, and so on.

With the new issue system, Great-West Life will be able to process more business, in less time, and as accurately as ever. For the convenience of policy-holders, the first page of each policy will provide a compact display of policy details, providing key information at one easy glance.

Although initially the new system is being used only for individual life policies, plans call for its expansion to include as many of the company's different policies as possible.

Praise From Policyholders

Every year, scarcely a week goes by without some Great-West Life office across the continent receiving a letter of praise from a satisfied policyholder. The theme is invariably the same — thank you for your fast service, your friendly and helpful attitude.

The Benefit Payments Office in Sydney, Nova Scotia comes in for a high share of praise and this letter explains

whv:

"On July 20, at 3:30 in the afternoon, I personally called at your office with my dental claim form. I was proceeding on vacation on the 22nd and hoped to get lucky with a claim check in Friday's mail. Instead I received your check at 10:00 a.m. the following morning, July 21st — service beyond expectation. I must also point out that I merely dropped off my claim and asked for no special treatment."

A letter received at the Seattle Claims Office from a dental receptionist said in part: "It is a pleasure working on claims that are paid so fast; and not having to send correspondence back and forth about errors and late payments is a blessing!"

A prompt and successful effort to correct an administrative error won high praise for a Head Office department: "Your frank admission that things went wrong, and your taking action to prevent difficulties in future, impressed me considerably. I shall certainly recommend Great-West Life to my friends."

From time to time, announcement cards are sent to the policyholders of agents who have achieved some type of recognition within the Company and their profession. A notice regarding two Halifax agents prompted this response:

This is not the first time I have received such notices concerning these two gentlemen, both of whom I consider personal friends. But I feel I must personally compliment the company on how they have chosen to present Great-West Life in this area. The service I have received, small though interest may be in policy participation, will always encourage me to be a proponent of your company whenever I can. No matter what I have asked for, be it information or service, I felt I was very important to the company."

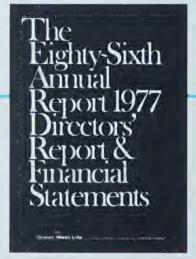
A long-time policyholder writes: "For over 30 years I have received excellent service, sound advice and profitable benefits. For all of these, I am most grateful"

Low-cost benefits and prompt service rated highly with a Vancouver plant company:

"Your plan, which covers all of our twenty-one employees with many additional benefits, actually costs less than we paid previously with a competitor's plan on which we had only eleven employees formally registered. It took up to four months to obtain a settlement on the competitor's plan. Your claims department settles within hours... the promptness and fairness of the claim settlement was a tremendous benefit to the peace of mind of the injured employee; and our other employees were reassured that they would be taken care of properly should a similar accident happen to them."

Some satisfied policyholders go a step further than mere words. The director of employee relations for a Dallas manufacturer sent a long-stemmed rose to each woman on the staff of the Dallas Benefit Payments Office as a "thank you" for continuing excellent service!

That is special treatment!



Great-West Life's Annual Report.

If you would like a copy of the 86th Annual Report of The Great-West Life Assurance Company (to which this magazine is a supplement) it's yours for the asking.

It contains the Directors' Report and Financial Statements, including the Summary of Operations, Balance Sheet, and other significant facts and figures.

Just write to:

Mr. E. R. Allden Associate Secretary The Great-West Life Assurance Company 60 Osborne Street, North Winnipeg, Manitoba, Canada R3C 3A5

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QUEBEC MARKETING OFFICE 25 Edison, Flr. E., Place Bonaventure

Montreal, Quebec CANADA EASTERN MARKETING OFFICE 1101-11 King Street West Toronto, Ontario

CANADA WESTERN MARKETING OFFICE 1405 Dome Tower, Toronto-Dominion Square

Calgary, Alberta

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Burnaby 105-4664 Lougheed Highway

Prince George 602-550 Victoria Street

Vancouver

930-505 Burrard Street

15th Floor, 1177 West Hastings Street**

1204-1175 Douglas Street

Kelowna 201-1610 Bertram Street

ALBERTA

Calgary 907 Dome Tower

Edmonton

1220 Royal Bank Building

900 Imperial Oil Building 1214 Royal Bank Building*

SASKATCHEWAN

Regina 655-2625 Victoria Avenue

Saskatoon 230-22nd Street East

MANITOBA

Brandon 400-740 Rosser Avenue

Winnipeg 300-155 Carlton Street* 302-155 Carlton Street 1100 Richardson Building 1000-444 St. Mary Avenue 217A-153 Lombard Avenue

ONTARIO

Hamilton

9th Floor, 155 James Street South 10th Floor, Stelco Tower*

Kingston 501-837 Princess Street

Kitchener 1020-22 Frederick Street

London

200 Queens Avenue

Mississauga

600-101 Queensway West

Ottawa 304-60 Queen Street

1900 Varette Building, 130 Albert Street 206-1335 Carling Avenue* Peterborough 2nd Floor, 311 George Street 14th Floor, Richmond-Adelaide Centre 2 Carlton Street 2500-2 Bloor Street West 1802-181 University Avenue*

QUÉBEC Montréal

1860 Banque Canadienne Nationale Building 4 Place du Commerce, Ile des Soeurs, Verdun 19th Floor. One Place Ville Marie**

396 Place Bonaventure
311 One Westmount Square
562 Two Place Ville Marie* Québec 4 Place Québec, Niveau Bl

1015 University Avenue West

NEW BRUNSWICK

Saint John 301-35 Charlotte Street

NOVA SCOTIA Halifax

705-6080 Young Street 1304-1809 Barrington Street

NEWFOUNDLAND

St. John's

5th Floor, Royal Trust Building

PRINCE EDWARD ISLAND

Charlottetown 57 Queen Street

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UNITED STATES MARKETING HEADOUARTERS 1300-1515 Arapahoe Street

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ARIZONA

Phoenix 204C-4350 East Camelback Road

CALIFORNIA

3701 Wilshire Boulevard**

157-1300 East Shaw Avenue

San Jose

820, Towers 11

Campbell & Bascom Avenues

San Francisco
3510 Bank of America Center**

Santa Ana 540 North Golden Circle Drive

COLORADO

Denver 1088-1860 Lincoln Street**

CONNECTICUT

200-100 Constitution Plaza 225-100 Constitution Plaza*

Hartford **GEORGIA**

Atlanta

3340 Peachtree Road N.E.**

ILLINOIS

Chicago Cnicago 606-6160 North Cicero Avenue 1035 LaSalle Bank Building 1030 LaSalle Bank Building*

500-200 Main Building**

Indianapolis
730-9000 Keystone Crossing**

MARYLAND

Baltimore

300-8600 LaSalle Road MASSACHUSETTS

Boston

902-133 Federal Street* 904-133 Federal Street

MICHIGAN

Detroit 100 Renaissance Center*

Southfield 714-17117 West 9 Mile Road

Grand Rapids 400 Union Bank Building* 480 Union Bank Building

MINNESOTA

Minneapolis
245-6600 France Avenue South**

MISSOURI

St. Louis 1610-7777 Bonhomme Avenue**

Kansas City 414-500 Nichols Road

NEW JERSEY

East Orange

3rd Floor, 141 South Harrison Street* 9th Floor, 141 South Harrison Street

NORTH DAKOTA

Fargo 614 Gate City Building

OHIO

Cincinnati

120 East 4th Street**

Cleveland 1325 Investment Plaza**

Columbus

2nd Floor, 250 East Town Street**

OKLAHOMA

Tulsa 5800 East Skelly Drive* OREGON

Portland

1600 South-West Fourth Avenue**

PENNSYLVANIA

Philadelphia 910-2000 Market Street**

TEXAS

Dallas 3636 Cedar Springs Road**

Houston 280-2801 South Post Oak Road**

Austin

701 West 15th Street

WASHINGTON

Seattle 400, 108th Avenue North-East, Bellevue** 218–1621, 114th Street, South-East, Bellevue

WISCONSIN

Milwaukee 2250-777 East Wisconsin Avenue*

WASHINGTON, D.C.

470-1800 M Street N.W.* 11300 Rockville Pike, Rockville, Md.

UNITED STATES
PREMIUM COLLECTION CENTER

1300-1515 Arapahoe Street

Denver, Colorado

*group offices

**group & individual offices

BENEFIT PAYMENTS OFFICES CANADA

15th Floor, 1177 W. Hastings Street

Edmonton 614-10506 Jasper Avenue Winnipeg 301-155 Carlton Street

Toronto 300-111 Richmond Street W.

Montréal 560 Two Place Ville Marie

Atlanta

Sydney Sydney Shopping Centre

UNITED STATES

1415-3340 Peachtee Road, N.E. Boston 501-133 Federal Street

Chicago 1042 LaSalle Bank Building Columbus 250 East Town Street

Dallas 3636 Cedar Springs Road

Denver 1300-1515 Arapahoe Street

Detroit2166-100 Renaissance Center

Los Angeles 820-3701 Wilshire Boulevard Milwaukee 2252-777 East Wisconsin Avenue

Minneapolis 245-6600 France Avenue South

410-200 Main Building

Philadelphia 9th Floor, 2000 Market Street

Portland 830 Portland Center, Boise-Cascade Building

San Francisco 3550 Bank of America Center

Washington 705-8401 Connecticut Ave. N.W

Chevy Chase Seattle

205-400, 108th Avenue N.E.

St. Louis 1610-7777 Bonhomme Avenue

San Jose

1700 The Alameda

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Calgary 1200 I.B.M. Building

Edmonton 1424-10025 Jasper Avenue

Winnipeg 812 Royal Bank Building

Toronto Suite 1410 Richmond-Adelaide Centre

Montréal P.O. Box 413 Place Bonaventure

UNITED STATES

The Company is represented by mortgage correspondents in its major operational regions in the United States. A list of correspondents will be provided

on request.

AR33

REPORT

A supplement to the 88th Annual Report of The Great-West Life Assurance Company



A dynamic plan for continued success in the 80's rises up from the drawing board.

BLUEPRINT FOR THE 80's



Great-West Life Offices Green and red areas indicate territory in which Great-West Life is licensed.

- Individual Sales Office
- ☐ Group Sales Office
- Brokerage Office
- ▲ Property Investment Office

- △ Benefit Payment Office
- Regional Marketing Office
- ♣ U.S. Marketing Headquarters Denver
- Canada Marketing Headquarters Winnipeg
- Corporate Head Office Winnipeg

Great-West Life

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President

Power Corporation of Canada,

Limited

Vice-Chairman of the Board

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Honorary Chairman of the Board Federal Industries Limited

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Council for Financial Aid to Education, Inc.

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Professor and Chairman

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University of Toronto

R. O. A. HUNTER*

Company Director R. H. JONES*

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The Investors Group

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President, United Grain Growers Limited

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G THE CORPORATE PLAN

Blueprint for the 80's

In his first full year as President of Great-West Life, Kevin Kavanagh focused his attention on three major areas: redesigning the company's organizational structure, improving the company's competitive position, and identifying the direction the company will take in the years ahead.

"Organizationally, we have set the pattern for the 80's," states Kavanagh. The foundation was laid in 1979 for a new corporate structure consisting of three distinct divisions: Canada, United States, and a Corporate Headquarters.

In speaking of the developing regional organization of the company, Kavanagh says he has always perceived differences in the Canadian and American markets, especially in the areas of law, taxes, and competition. This past year, however, he has had ample opportunity to see how extensive those differences really are.

"It's one thing for Great-West Life to compete with London Life in Canada," the Chief Executive Officer comments, "and another thing entirely to compete with National Life of Vermont in the U.S."

Kavanagh feels the demand for life insurance products will persist and

Kavanagh: Great-West enters the 80's with momentum and strength.

grow throughout the 80's, in spite of economic uncertainty, because they satisfy a very basic need. In both countries, Great-West Life has become widely involved in the professional business market—providing key man insurance, estate planning, and deferred compensation plans—using life insurance as a basic tool for financial planning for the individual.

While demand for life insurance will remain strong, life insurance companies will face greater competition than ever before from other financial institutions, such as banks and trust companies, for a share of the market.

Great-West Life took a very aggressive step in the U.S. earlier this year by introducing a new portfolio of individual life products, with premium rates slashed considerably on most term insurance products. And, in Canada during 1979, the company effected its largest dividend increase ever, in dollar terms, to participating policyholders.

Challenging inflation

"The 80's will be much more competitive, and what we're challenged to do is offset the effects of inflation by improving productivity. How? Very intelligently, and very carefully. We have to provide our services less expensively, but without sacrificing quality."

During 1979, Kavanagh devoted much of his time and energy to identifying long term goals for the company. As an immediate result, productivity will become the #1 priority.

"This year all of us at Great-West Life will be looking at the things we do: our administrative approaches, the flow of work. Productivity is the next big issue for all of us."

Using new computer technology will be one means of coping with inflation. Increasing Great-West Life's share of market and the company's volume of business will be another.

Looking ahead to the 80's, many financial forecasters have expressed uncertainty about economic growth and business conditions.

"It may be argued that there is gloom ahead in the economy. In fact I

can't think of a year in my career when discussion of forward periods did not include uncertainty and problems. But I don't think we need to take our cue from gloom," Kavanagh asserts. He points out that many times during its 88-year history, Great-West Life has turned potential problems into opportunities, and benefitted in the long run.

Optimism and foresight

One such example is the American Dental Association group plan, underwritten in the midst of the Depression.

"If we'd taken our cue from the economic and social conditions of Western Canada in 1938, we might never have underwritten that case," says Kavanagh. "But someone in Great-West Life had the foresight and optimism to see beyond immediate economic prospects."

Today, the American Dental Association remains Great-West Life's largest single group client.

Foresight on the part of company management was also evident at the time the Canadian government introduced a national medical care scheme. Rather than abandoning health insurance markets, the company persevered, and within two years regained premedicare levels of health premium income.

As a third example, Kavanagh cites the rapid growth of group insurance benefits offered by employers. Although it seemed at the time to reduce Great-West Life's prospects in individual life insurance markets, the company's field organization adapted to the change by accelerating activity in the business insurance, estate planning, and pension fields.

"Most of all, in shaping our view of the future, we should take note of the clear public demand for the work we do — evident in our sales figures," observes Kavanagh.

"Certainly we're moving into a competitive environment in the 80's, but we're entering the new decade with great momentum and strength, and a fully positive outlook that is rightly shared by many gifted and effective people in our company."

Evolving to keep pace with the 80's

Throughout Great-West Life's 88-year history, the company has continually evolved to keep pace with changing business conditions, as well as its own growth and development.

Great-West took a major step forward last September, formally separating Canadian and United States operations into two distinct regions and introducing a new management structure.

"By separating our Canadian and U.S. operations, we will be able to serve our clients in both countries more effectively," states President Kevin Kavanagh. "By decentralizing we can recapture a smallness that's important. The larger you get, the more important it is to recover some measure of smallness; to maintain the ability to specialize."

He points out that business operations in general have become more complex, and that each country's market-place has its own distinct characteristics. Regrouping employees will enable them to concentrate their energy and skills exclusively on their respective markets.

The U.S. region—including product design and pricing, underwriting, benefit payments, and policyholder service—will be centred in Denver. U.S. Marketing moved into the new Great-West Life Tower last December, and personnel associated with U.S. operations will be joining them.

Construction will start this spring on a new corporate headquarters. Investment and corporate staff departments will be housed there, while the company's Canadian operations, currently located in different offices in Winnipeg, will be brought together in the existing Head Office on Osborne Street.

A new management structure, including four new vice-presidents, was introduced last fall in support of the company's re-organization.

Orest Dackow was appointed Senior Vice-President, United States with overall executive responsibility for the company's United States operations. He reports directly to President Kavanagh.

Don Elliott, CLU, continues to hold responsibility for the U.S. marketing organization. Alan Carmichael, FLMI, was appointed Vice-President, Individual Operations and Alan MacLennan, FSA, was appointed Vice-President, Group Operations. All three — Elliott, Carmichael, and MacLennan — report to Dackow.

In the Canadian region, Reg Abbott, CLU, has full responsibility for the marketing organization as Vice-President, Marketing.

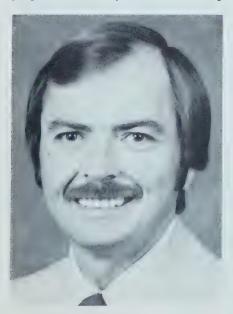
Canadian individual operations are under the direction of **Chris Chapman**, **FSA**, appointed Vice-President, Individual Operations. **John Green**, **FSA**, heads up group operations on the Canadian side as Vice-President, Group Operations. Abbott, Chapman, and Green report to President Kavanagh.

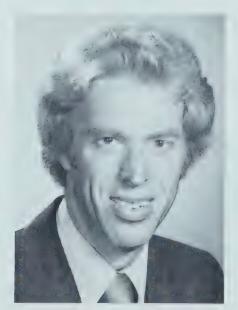
Great-West Life will continue to evolve to meet the demands of the 80's in both Canada and the United States.

Great-West's formal regionalization began with the appointments of (clockwise from top) Orest Dackow, Alan Carmichael, Alan MacLennan, Chris Chapman and John Green.











Serve both markets well

Great-West Life Tower in Denver accepted its first tenants at year-end, as the company's marketing, benefit payments, Denver agency and group offices moved into the new structure.

Five floors of the 29-storey tower are occupied now, but eventually all employees associated with the company's United States operations will be located there. That includes staff working in product design and pricing, underwriting, benefit payments, and policyholder service.

It's a massive project, and one which requires a great deal of forethought and planning in order to effect the transfer as smoothly as possible.

Great-West Life's association with Colorado began in 1957 when the company opened a branch office in the state. Denver was later chosen as the site for Great-West's U.S. marketing operations, and subsequently, its U.S. headquarters.

The Great-West Life Tower and its twin counterpart tower in the \$60 million complex called Great-West Plaza

serve as visible affirmation of the company's commitment to the United States marketplace.

Similarly, the new corporate headquarters in Winnipeg provides evidence of the company's commitment to remain in Winnipeg, where it was founded 89 years ago.

The corporate headquarters will serve as the centre piece of the 16.5 acre development, which will also include commercial and residential structures. Several old buildings and a warehouse have been demolished to make way for the \$62 million development behind the present Head Office on Osborne Street in Winnipeg.

"It is very exciting for me personally, and for Great-West Life as a company, to be starting these major developments at the dawn of a new decade," states President Kevin Kavanagh. "Our blueprint for the 80's calls for us to serve both markets—in Canada and the United States—and serve them well."



Several old buildings fell to make way for Great-West's new corporate headquarters.







Great-West Plaza continues to develop before the eyes of Denver residents. The completed building, Great-West Life Tower, took in its first tenants in December.

Fair and competitive starts here

Great-West Life completed an ambitious project in 1979, designed to ensure that supervisory and technical positions are valued and compensated approximately. The project was completed by the Personnel Department and a steering committee composed of 12 senior representatives from all divisions of the company.

The intensive 18 month project involved the development of a new evaluation plan and the subsequent evaluation of more than 700 positions. Employees in those positions prepared detailed position descriptions providing information on the decision making, accountability, supervisory/management responsibility, communications and knowledge their jobs required.

Using this information, jobs were evaluated on a divisional basis, with the Personnel Department and steering committee responsible for ensuring corporate equity across divisions.

Having banded jobs into groups of equivalent value, the next step was to conduct a salary survey. The survey encompassed financial institutions in both Canada and the U.S. and was carried out to ensure that rates of pay were competitive with those in the market place.

"The end result was a high quality evaluation and compensation plan which is tailored to meet the unique needs of this company," states Gary Wilton, Personnel Officer.

In the 80's, a growing number of jobs will require a high degree of specialized knowledge and technical expertise. Stan Susinski, Investment Administration Officer, feels that the new job evaluation system will help Great-West Life in two ways: "It will help us to clearly identify the special skills required for specific jobs, and to readily establish the relative worth of new and changing positions to the company."

Len Anderson, Group Insurance Officer,

says, "The program was positively received by staff members because the evaluations were done by divisional committees, who had detailed knowledge of the work done in their respective divisions."

The original plan called for this first phase to be followed by a less extensive revision of the existing evaluation system for Head Office clerical and secretarial positions, and finally the evaluation of all field positions. The current focus on regionalization together with the widespread restructuring of positions which will result, makes it impractical to consider proceeding exactly as planned.

Wilton notes, "We are now revising our original plan and attempting to identify alternative approaches. The knowledge and expertise gained on the technical/supervisory project will undoubtedly be invaluable in any similar future initiatives."



President Kavanagh controlled the wrecking ball as demolition began in preparation of the new headquarters site. Jim Walker, a Winnipeg photographer, moved in for a close shot to capture the historic moment.

Flexibility: key to the 80's

Flexibility was the key to marketing in 1979, as Great-West Life fine-tuned its products to meet consumer demands, at rates that were even more competitive in the marketplace.

Innovations were designed to suit the unique characteristics of both the Canadian and American markets, as a review of the year's endeavors shows.

In Canada

Great-West Life met the competition head on by introducing a new **registered retirement savings plan** (RRSP). As a result two major RRSP cases were placed: Imperial Tobacco offers coverage of 5,000 union and non-union employees; International Harvester Canada made the Great-West Life RRSP available to its 1,600 non-union salaried employees.

The company's **Guaranteed Interest Annuity** (GIA) was a phenomenal success in Canada. Originally introduced in 1978, it was re-introduced last fall with higher interest rates. The GIA is a no-load, high yield product designed to compete with the guaranteed interest certificates offered by banks and trust companies: the GIA has the added feature of remaining tax exempt until the funds are withdrawn.

A very significant reduction in the company's Canadian **term insurance rates** moved the product line to a top competitive position. Sales more than doubled during 1979, fuelling an 83% growth in the company's sales of individual insurance in Canada. The rate reduction was achieved through very aggressive actuarial assumptions, and a streamlining of Head Office functions not affecting service to policyholders or field representatives.

The Canadian marketing organization updated its disability income product line, offering clients a new residual policy, a new rate structure, and extended limits of issue. The revised **Preferred Earnings Protector** (PEP) was well received in the marketplace, with new disability income sales reaching an unprecedented level.

Great-West Life introduced its largest ever dividend scale increase, in dollar terms, last April 1st. The company's Canadian participating policyholders will have received in total \$3.8 million in additional dividends. Policyholders may elect to apply their dividends to the premiums on their policies, purchase additional insurance protection, leave the dividends with the company to accumulate at interest, or take them in cash.

Last year Great-West's Canadian marketing organization re-emphasized the advantages of its Option G. It allows owners of eligible participating policies to buy additional insurance protection with their dividends without increasing premiums, or to convert their term insurance to permanent coverage. This option is especially attractive for young families, who often buy term insurance and later convert to a permanent plan to meet their changing needs.

'Stateside'

The company revamped its United States individual life products last year, introducing a new portfolio in January. Reduced from 40 products to 10, the new portfolio lowers net premiums, and prices each product to be more competitive than ever before.

The highlights include:

- —Net premiums were lowered 15%-20%, making Great-West Life's premiums among the lowest in the industry, especially for policyholders over age 45.
- —The term products feature lower premiums and allow longer conversion and renewal periods.
- —A **Guaranteed Insurability Benefit** was added, designed specifically for business and personal situations where there is a need for substantial additional insurance in the future. It permits planning for the provision of increased insur-



GREAT-WEST LIFE ASSURANCE COMPANY

1945 JA	NUARY	FEBRUARY 1945
1 2 3	4 5 6	123
7 8 9 10	11 12 13	4 5 6 7 8 9 10
14 15 16 1	18 19 20	11 12 13 14 15 16 17
21 22 23 2	4 25 26 27	18 19 20 21 22 23 24
20 20 20 2	92 %	95 90 97 90

A Small Beginning

Insurance should not be deferred until you are in a position to take out a policy of considerable amount. Is it not better to begin now and to proceed at easy stages, if only from an investment point of view? You can obtain policies for small amounts from time to time, as you can afford them, each one a profit earning investment. We have interesting literature dealing with this phase of insurance. We will gladly send it upon request.

THE GREAT-WEST LIFE ASSURANCE COMPANY

Dept. "B"

Head Office-

Winnipeg

Marketing styles and techniques have changed over the years, as a calendar and advertisement from a decade long past demonstrate.

ance at specified option dates, relating to expectations of increased income, business profit, and financial worth. Individual flexibility is the key.

—The Replacement Life Option Rider allows the transfer of key man insurance from the outgoing to the incoming key person for a one-time premium charge of \$25. When compared with the cost of a new policy, this rider results in premium savings.

—Recognizing that a non-smoker in good health is a better risk than a smoker, Great-West Life added a new **Preferred Non-Smoker Discount** to its U.S. product portfolio in January.

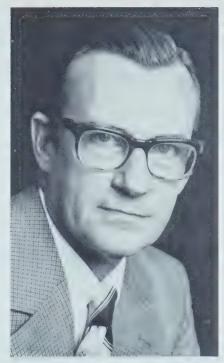
Premium discounts range from two to seven percent and are available on most of the new life insurance plans.

To qualify for the discount, an insured must be age 25 or over, must not have smoked cigarettes for at least 12 months, and meet special height/weight standards. The company estimates that two-thirds of its life insurance applicants will qualify for the discount.

—Great-West Life introduced a totally unique concept called **X-Rider**[™] which is apparently a first for the insurance industry.

The X-Rider can turn a basic policy into an efficient, individually tailored policy which provides exceptional protection and good cash values. It enables a client to plan death benefit coverage beyond the point where his or her group coverage ends.





Reg Abbott, CLU (left) and **Don Elliott, CLU** have moved their marketing organizations into top competitive positions in Canada and the U.S., respectively.

Available only at the time of purchase of the basic policy, the rider offers paid-up insurance at a specific deferred date: 10 years, 20 years, or at ages 60, 65 or 70 (as long as the age or date is at least 10 years beyond the policy issue date). When the specified paid-up time occurs, there are no more premiums on the X-Rider portion of the insurance

—and good cash values build up in the combination policy.

The X-Rider improves net cost analysis, and in business applications is useful in split-dollar and deferred compensation situations.

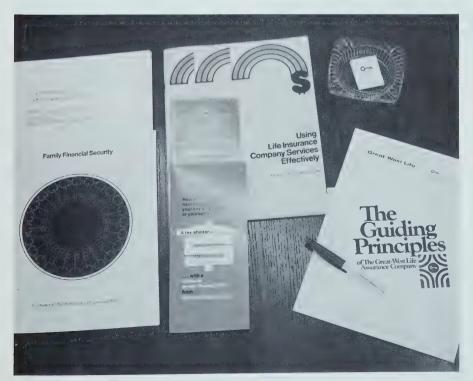
As pre- and post-retirement needs differ, the X-Rider allows the freedom to design an insurance program to fit the individual's needs.

A year of study

The new product portfolio was the result of a field advisory task force which studied the needs of the marketplace for more than a year, and made recommendations for changes based upon its findings.

"Through the years our company has pursued a progressive policy of development and has zealously guarded its reputation for low cost insurance, liberal benefits for policyowners, broad scope of services, and sound financial position," comments Don Elliott, CLU, the company's Vice-President of Marketing in the United States. "Our new product portfolio should expand this reputation even further."

The blueprint for the 80's calls for a competitive stance to be maintained on products and pricing in both Canada and the United States. That means product change and refinement will be ongoing, so the company can continue to offer its clients the best.



New products reflect changing market demands, and Great-West's responsiveness to consumer needs.

The best of building codes:

Rewarding excellence

At Great-West Life, everyone in the 'field'—new and experienced representatives, supervisors, and managers—has an opportunity to be recognized for outstanding performance. Looking towards the challenging 80's, Great-West Life re-emphasized the importance of its awards program to better support and encourage the sales force.

Through its **Awards of Excellence** Program, the company recognizes outstanding agents and managers in both Canada and the U.S. Agent awards are presented for best new agent, best group and individual sales, and best general proficiency; while manager awards are presented for sales leaders, best sales from new agents, best new manager, and best general proficiency. A Rookie of the Year award is also conferred each year on a new agent.

The **Agents' Advisory Council** was created to establish good communication between sales representatives and senior management. The Council provides a forum for the exchange of views on agent concerns, and the marketing of Great-West Life's products. New members are appointed each year.

The **President's Club** is the company's premier program for recognizing the individual. The Club has three progressively elite levels — qualifiers,

leaders, and President's Council — demanding tough-to-meet sales performance standards. Last year 333 of Great-West's Canadian agents and 219 U.S. agents qualified for the President's Club.



In addition to the awards conferred by Great-West Life, the life insurance industry has its own. **National Quality Awards** are presented annually to those agents across North America who consistently write business that stays on the books, a good indication that their clients are being given top quality service. Last year 238 of the company's agents qualified for the NQA.

Three Great-West Life agents have earned the coveted award for more than thirty consecutive years: Robert Colpitts, CLU, of New Brunswick for 33 years; Z. Willard Finberg, CLU, of Minneapolis for 32 years; and Wally Gibson, CLU, of London for 31 years.

Striving for professionalism

Continuing education is vital for life



Kathy Meldrum, CLU and **David Cowper, CLU** both addressed the prestigious Million Dollar Round Table organization last year. Sharing expertise: a sure sign of professionalism.

insurance representatives if they are to keep pace with new products, new legislation, and changing consumer demands. The **Chartered Life Underwriter** (CLU) program meets the needs of the men and women who provide life and health insurance services to the public. The areas studied in this university level education program include group insurance, health insurance, pensions, law, trusts and taxation, economics and finance, and business and estate planning.

After successfully completing all the courses, a field representative receives the CLU designation—a symbol of professionalism and competence in the life insurance industry. Fifteen Great-West Life representatives earned their CLU designations in 1979, joining more than 280 CLU's in the company's Head Office and field organization.

Keeping in touch

Most agents agree it's important to keep in touch with others in the industry, to trade ideas and share experiences. The annual meeting of the **Million Dollar Round Table** (MDRT) allows agents to do just that.

Thirty-eight Great-West Life field representatives were among 6,000 agents from 45 countries attending the MDRT's 1979 annual meeting in Chicago last June. Among the guest speakers was Kathy Meldrum, CLU, of Denver, who talked about estate planning.

A more exclusive meeting of the Million Dollar Round Table was held in Monterey last November, for the top 300 of the MDRT's 22,000 members. This elite group is called the Top of the Table. Three of the company's agents qualified to attend that meeting: Alex Aleshka of Winnipeg Central, David Cowper, CLU, of Toronto Carlton, and Sandy Lenenberg of Philadelphia Central. Cowper, who was asked to make a presentation, spoke on four major financial factors (credit, inflation, cash flow, and taxation), and their effects on life underwriters and their clients.

At Great-West Life striving for excellence means commitment and that commitment is evident from the numbers of Great-West people truly involved in their profession.

Hopwood Award winner

Ted Glista takes the honors

North Americans are fortunate to have a diverse, multicultural heritage and many groups and individuals are now recognizing the importance of preserving that heritage.

Once such individual is Ted Glista, CLU an agent in Great-West Life's Mississauga Branch Office. In recognition of his outstanding contribution to his community and the life insurance industry, Glista was presented with the Jack Hopwood Memorial Award—Great-West's most prestigious tribute. It was created in honor of the late Jack Hopwood, a Winnipeg representative who exemplified high standards of dedication and service to his clients and his community.

Ted Glista was born in 1933 near Henribourg, Saskatchewan, the son of Polish immigrants. His parents cleared the land to build a homestead but the extreme hardships of the Depression years on the prairies eventually forced them to move east to Ontario.

Proud of his background, Glista devoted a great deal of time to helping the Polish Alliance of Canada acquire a series of 26 paintings—called The Polish Canadians—by the late Canadian artist William Kurelek.

Glista convinced the Polish Alliance to buy the series but, he was so sure of its importance and of the urgency needed to secure it, that he used his own money for a down payment even before he had confirmed commitments from other donors.

In the past 20 years, Glista's most visible contribution to his community may have been a cultural one, but he has also worked for local service, political, and business organizations.

He is a past director of the National Ballet of Canada, and chaired the Mississauga Heart Fund for 1978. As publicity director and co-chairman of the Copernicus Lodge Fund Raising Committee, Glista recently spearheaded a campaign that raised \$1.5 million to build a 110-bed senior citizens' home in Mississauga.

He is a member of the Knights of Columbus, the Mississauga Golf and Country Club, the local ski club, and St. Dominic's Church. He is a past Ontario chairman of the Canadian Consultative Council on Multiculturalism under the Secretary of State Department, 1973-1979.

And, in order to qualify for the Hopwood Award, Glista had to earn a top reputation in the company and the industry. He achieved that by working his way into the industry's elite Million Dollar Round Table organization and qualifying regularly for the company's President's Council award program.

Wes Sanders of Dallas, the previous year's winner, presented the award to Glista last spring in front of more than 330 of his friends and peers, at the company's Canadian Leaders' Conference. It was Great-West Life's way of recognizing a truly outstanding individual.



Glista combined insurance expertise, a reputation for top client service, and involvement in a wide variety of community activities to capture the company's most prestigious offering: the Hopwood Award for 1979. Here Glista, left, receives congratulations from his 'boss', Gord Stovel.

Expanding services, tapping new markets

Marketing and claims services were expanded in 1979 with the opening of four new field offices in Florida, Oklahoma, South Carolina, and Newfoundland.

Great-West Life moved into the southern United States last February when Alan Dabolish, CLU, opened a new branch office in Miami to serve the state of Florida.

John Hamilton launched a new brokerage office in South Carolina a few months later. From the capital city of Columbia, Hamilton serves the entire state.

Genie Badcock opened a new benefit payments office in St. John's, Newfoundland, primarily to handle claims for the newly-acquired Newfoundland and Labrador government group case. The policy provides dental care protection for 18,000 employees.

Another new benefit payments office was opened in July in Tulsa, Oklahoma under Manager Evelyn Ross. The claims work done by Ross and her staff was previously done in Atlanta.

The company also became licensed to do business in three more states last year, bringing to 47 the total number of states where the license has been granted, in addition to the District of Columbia.

The three newest states are Mississippi, Nevada and Hawaii.

Professionals building on excellence

David Cowper Company leader

Many leaders in the insurance industry can maintain a high productivity level for only four or five years. Their thinking during that time is in step with the conventional wisdom of the market-place. But as the market place changes the agent may not, and as a result, the individual's production may drop.

The solution to the problem is to keep in touch with the flow and ebb of the market, and to stay flexible, says David Cowper, CLU, the company's #1 agent in 1979 with \$17.4 million of combined volume.

"One of my stronger assets is that I adjust quickly," states Cowper. He is a consistent producer who has been Canadian leader four times since he joined Great-West Life eight years ago in the Toronto Carlton Branch Office.

However, he did change his style of operation in 1977, his least productive year with the company, to keep pace with the market. The decks were "cleared for action" in 1978, and he placed \$10 million of business. And, in 1979 he wrote over 100 cases—more than he's written in any one of the 20 years he has been with the insurance industry.

For 1980, Cowper's main thrust will be providing financial planning for executives and middle management.

"These people will be facing real prob-

lems in this decade as inflation erodes the purchasing power of their income, and makes planning for retirement difficult."

He has discerned a trend towards many public companies going private, necessitating large amounts of credit. Cowper predicts that this trend, plus upheavals in the stock market, will create many opportunities for life insurance agents in the 80's.

Sandy Lenenberg Leading U.S. agent

Sandy Lenenberg has added another top year to his outstanding career with Great-West Life, this time as leading U.S. agent with over \$16 million of combined volume.

Associated with the company's Philadelphia Central Branch Office, Lenenberg has led the U.S. field 10 times during his 11 year career with Great-West Life. He has also been company leader seven times. That's a record unparalleled within Great-West Life.

With his primary interest in the areas of estate planning and pension business, Lenenberg maintains a thorough knowledge of relevant taxation and legal matters.

He is assisted by an office staff of five—including office manager Grace Spagnolo, and a pension administrator.

Lenenberg's career with Great-West Life continues to be highlighted by many outstanding achievements. He has held a seat on the Agents' Advisory Council for 11 years (10 years as President) and served as President of the 1978 and 1979 President's Clubs. Lenenberg has earned a life and qualifying membership in the industry's Million Dollar Round Table, and is a charter member of both the Top of the Table and the Six Million Dollar Forum. As well, he is a member of the American Association of Life Underwriters and is a co-chairman of the Life Underwriters Policical Action Committee "Morning With a Star" program.

In his spare time, Lenenberg is actively involved in many community projects.

Mike Craford Company group sales leader

Great-West Life's Guiding Principles—a statement of the company's business philosophy—calls for pre-eminence in products and service. It was this philosophy that attracted Mike Craford to join the company in 1977.

"Our products do not necessarily appear to be the least expensive on the market at first glance. But, we do provide excellent back-up service so that the clients' net cost can be lower with our products than the competition's," comments Craford.

In the past three years Craford has climbed to the top of the group organiztion. He placed \$2,784,426 of weighted premium last year to earn first place



Cowper: sensitivity to market changes crucial



Lenenberg: on top of current legislation



Craford: insurance runs in the family

among the company's group representatives. For Craford that meant selling a variety of business, from large pension cases to the smaller 'bread and butter' life and health cases

"The one luxury we have as representatives of Great-West Life is the array of quality products we offer," says Craford, whose father and uncle are also agents with the company.

During the past three years, Craford says he has found Great-West Life's management to be very forward thinking, placing heavy emphasis on service. He states, "You don't often find that kind of dedication to service, from the top down, in a large corporation."

Paul Murphy, Canadian group sales leader

Group Representatives are no ordinary salesmen, according to Paul Murphy, who was Great-West Life's leading Canadian group representative in 1979 with \$2.6 million of annualized premium.

"We have an important role as problem solvers," states Murphy. "That includes working out a set of specifications in trying to win a new case; providing service for our diverse line of clients, and putting together the financial details of renewals."

During his four years in the field, Murphy has consistently placed over a million dollars of business annually. But, he states, "There is no sense placing millions of dollars of business if claims and expenses exceed that figure. The true representative gets involved in cases that are productive for the company."

Murphy sees the group market becoming more competitive in the 80's,

but he feels that the company's superior line of products combined with motivation on the representatives' part will continue to keep Great-West Life on top.

He attributes much of his own success to the attitudes of individuals within the company: "Our continuing dominance in the insurance field is a result of open communication between field representatives and Head Office. People in Great-West Life, on both sides of the fence, do their best to take a responsible approach to every new endeavor they undertake. It is a positive reflection on all employees that we can adapt to initiative, and the problems it may bring, very quickly."

Bonaventure-Ville Marie Leading branch office

Two of Great-West Life's Montreal branch offices merged late in 1978, and in the months that followed the new office catapulted to the top with over \$60 million of combined volume—a company record.

Bonaventure-Ville Marie is under the co-leadership of Marcel Flamand, CLU, and Guy Mercier, who attribute much of their success to the merger. But they quickly point out that delegation of duties continues to be a priority to prevent the potential problem of overlap.

"There is no doubt that the merger was a key to our success in 1979, but you cannot overlook excellent products with competitive rates, and the best agents," states Mercier.

"As for the merger, it solved many problems. When you operate a branch office averaging \$14-\$15 million per year, there never seems to be enough time to provide the complete package of

service: recruiting, training, office management, and administration; all the ingredients necessary for a successful branch office."

Flamand concentrates on the marketing side, providing personal service for agents and clients. This leaves Mercier free to co-ordinate the day-today activities of the branch.

Denver Leading U.S. branch

No news gets 'old' as fast as yesterday's baseball score, except, according to Bob Perkins, CLU, a record year in sales.

Perkins and his agents in the Denver Branch Office led U.S. agencies last year with over \$54 million of combined business. But rather than dwell on the past year's victory, they've geared up production for the 80's.

"We've always believed that we could be leaders, and we have been for the past three years. But now that we've passed this landmark we're taking a run at \$100 million, and I won't discard my recruiting manual until we've reached it," quips the veteran United States manager.

Perkins joined the company 25 years ago, and started Great-West Life's operations in Colorado, later chosen as the centre for the company's United States operations. The Denver Agency now has more than \$814 million of insurance in force in the state.

Denver is in the middle of a rich mineral belt extending through North America, and Perkins and associates are taking advantage of the recent explosion of energy-related businesses moving into the city. The branch had its best year yet by several measures:

(continued on p. 14)



Murphy: agents are problem solvers

Flamand: delegation a key

Mercier: competitive rates set pace

Perkins: meeting challenges

individual sales, group sales, and brokerage sales, as well as the popularity of disability income products.

"We've always been production oriented," comments Perkins. "We've always wanted to do more business than we have the year before. We've never been satisfied, and never will be."

Montreal Brokerage Leading group office

A \$15.8 million dental care program covering six major Canadian railways helped Montreal Brokerage clinch the lead in Great-West Life's group sales for 1979.

Although Bob McFetridge and his associates are proud of placing that case, they had a substantial total even without it.

"Take away the great deal of time and effort spent on the railway case and we still had \$7.9 million of annualized premium which would have been almost equal to the target set for us in 1979."

McFetridge states, "Generally, we have a better mix of all benefits, but when a significantly large sale is made under one line of coverage it tends to distort the normal picture. The dental care market in Quebec is far from saturated and we expect this type of coverage to remain an important part of sales results for some time."

One reason for the company's success with group sales in Quebec, according to McFetridge, is "bull's eye underwriting. In my opinion, Great-West Life has the finest underwriting and claims personnel in Canada."

"For example, the \$3.5 million dental care program we provide for the Royal Bank, covering 33,000 employees, is .5% under the rate level indicated in the contract after two years in force. When that happens, you know you've got top people."

Los Angeles Leading U.S. group office

The Los Angeles Group Office had several changes in personnel last year, but team work, combined with a solid base of business, earned them top spot in U.S. group sales for the year.

Gary Smith stepped up to the helm at mid-year when former manager Bob Kavanagh transferred to Denver as Director of Group Marketing. Smith joined Great-West Life 10 years ago through the group training program at Head Office, and has been associated with the company's group offices in Vancouver, Santa Ana, and Toronto.

The Los Angeles Group Office also lost Barry Tobin in '79 when he transferred to Chicago as Assistant Group Manager, but they gained a new associate: Robb Patton from Portland.

"Bob Kavanagh developed the potential and created our impetus in the L.A. market. We simply followed his lead," comments Smith. A major medical program with Harbor Administrators added substantially to the office's yearend total of \$18 million. And, a large volume of business came from the tax sheltered annuity case previously signed with United Economic Services: it continued to serve as a major source of demand for pension products.

With six months' experience in Los Angeles, Smith says he's looking forward to this year, and is confident that many of the contacts developed in the past will generate new business in 1980.

Philadelphia Central Company leader in brokerage sales

The Philadelphia Central Brokerage Office was a step ahead of the 80's, bringing in \$81.7 million of business in 1979. That figure cast them into the lead of the company's brokerage race for the second straight year.

But there are no secrets or short cuts to success, according to manager Bernie Friedman, a native of Philadelphia who joined Great-West Life in his home town 20 years ago. He was appointed manager there eight years later.

Philadelphia Central's winning combination consists of hard work, good marketing strategy, and taking advantage of the company's portfolio of products.

It helps to have good people, and Friedman has plenty of those: Sandy Lenenberg, whose consistently excellent sales leadership record is unparalleled, and the management team of Frank DeBellis, Associate Branch Manager; George Cramer, CLU, Brokerage Manager; and Nate Tattar, CLU, Brokerage Supervisor.

Friedman concentrates his efforts on motivation and administration, and is always accessible to the 35 career agents and staff in the office.

Philadelphia Central has had two incredible years, surpassing their \$79 million record in 1978 with over \$81 million of volume in 1979. It'll be a tough act to follow, but the Philadelphia team has demonstrated its ability in the past. One thing is certain: all eyes will be on Philadelphia Central in 1980.



McFetridge: one major case topped off solid base



Smith: building on established momentum



Friedman: good people key to success

Large or small scale plans

Group insurance for 'everyone'

Great-West Life is a leader in group insurance, and the blueprint for the 80's calls for a product portfolio to provide both large and small scale plans, and to serve the clients who choose them well.

The company's approaches to marketing group insurance may differ between Canada and the United States, but the two countries have one common factor among their clients: variety.

Across North America this company's clients run the gamut from small family businesses to national corporations employing thousands of people—people who need dental care plans, life insurance, disability income protection, or pension plans. Take a look at some of the groups who turned to Great-West Life for those products and others.

Great-West Life's largest-ever dental care program, signed through the company's Montreal Brokerage Group Office, became effective last December. Six Canadian railway companies are making annual deposits totalling \$15.8 million to cover 100,000 employees from four unions. Last July, 12 life insurance companies were invited to quote on specifications for the dental care program. During the summer, the competition was narrowed down to two contenders: Great-West Life and another major Canadian insurer. Both companies delivered their final proposals September 26, to a group of 27 people representing the railways, management, and unions. The voting took place that afternoon, and the result—a unanimous decision for Great-West Life! It was a major breakthrough for Group Manager Bob McFetridge, of Montreal Brokerage, and Assistant Managers Bob Gariepy and Bernie O'Dowd.

The Toronto Group Office, managed by John Andrew, signed a dental insurance program with the **Ontario government** covering members of the civil service association, management staff and the Ontario Provincial Police. The program, with an annual premium of \$5 million, covers 71,000 employees. Andrew says that the case confirms Great-West Life as the major underwriter of dental insurance in Ontario.

Unionized carpenters in Hamilton, Ontario have invested their pension savings to stimulate growth in the con-



struction industry. The **Trustees of the United Brotherhood of Carpenters and Joiners of America** (local 18) placed \$2.25 million in Great-West Life's property fund. Through the fund, money is lent on mortgages which in turn finance construction, providing employment for carpenters. This concept has also been of interest to other unions. Jim Pelts, Supervisor, Group Pension Accounts in the Southwestern Ontario Group Office, was responsible for placing the business.

The Canada Mortgage and Housing Corporation expanded its coverage with Great-West Life to include life insurance, survivor income benefits, and

a supplemental health plan in addition to the existing long term disability benefits. The new coverage has an annual premium of \$750,000. Peter Foley, manager of the company's Ottawa Group Office, says Great-West's track record on claims adjudication and payment on the previous business helped get the new coverage.

(continued on p. 16)

Great-West signed six Canadian railway companies for a dental program covering a record breaking 100,000-plus employees (above). Unionized carpenters in Hamilton, Ontario chose Great-West's property fund as the investment vehicle for their pension monies.



Clients varied

(continued from p. 15)

One year ago, the provincial government of Newfoundland and Labrador signed a group insurance package with Great-West Life, for an annual premium of \$4.2 million. All government employees had to be enrolled in the plan, and that meant canvassing 18,000 people in a period of days. Gus Lethbridge, Group Manager in the Atlantic Provinces, spearheaded a blanket campaign with five teams of two people, who each made five presentations per day to complete the enrollments. A new benefit payments office was opened in St. John's under Manager Genie Badcock to handle the business.

Great-West is in the driver's seat now with **Motor Coach Industries, Ltd.,** a Winnipeg firm that manufactures buses for sale across North America. Motor Coach chose a pension plan for its employees, with an initial investment of \$125,000 deposited annually to Great-West's Guaranteed Fund. The business was placed by Ken Frost, Senior Representative, Group Accounts, Winnipeg.

Universal Leaf Tobacco, the world's largest independent leaf tobacco dealer, chose Great-West Life as the carrier for basic life, optional, and retired life cover-

age for its 1,500 non-union employees. The company grows and cures tobacco; selects, buys, ships, processes, packages and stores tobacco all over the world. They manufacture cigars, cigarettes and pipe tobacco, as well as provide technical and financial services to growers to encourage higher quality production. Another life insurer had carried Universal Leaf Tobacco's employee benefits for 36 years before they switched to Great-West Life. Gary Chapman, district manager for Great-West in Washington, D.C., says flexibility in underwriting the program was the key to getting the business.

"Persistency and a good reputation for customer service" landed Great-West an account with **Applied Data Research Inc.** (the world's leading independent producer of computer software), according to Frank Sales, Group Manager in North Jersey. The program includes life, accidental death and dismemberment, dental care, and major medical coverage for the firm's 369 employees. The program produces \$155,000 of annual premium.

Great-West Life signed a \$3.4 million pension investment contract last year with the **Township of Upper Darby**. This police pension fund had been invested with a large Philadelphia bank for 10 years before Great-West Life was awarded the case. Working on behalf



The computer software producer, Applied Data Research Inc., drove a 'hard' bargain with Great-West for package coverage for its 369 employees.

of Great-West Life were Philadelphia group representative Chuck Lammers and agent Cy Altman.

The Philadelphia Group Office landed a dental insurance contract with the Federation of State, County and Municipal Employees. With a premium of \$455,000, the case covers 2,268 white collar public employees, including engineers, computer operators and supervisors. They form local 47 of the 30,000 member union. John Fork, Supervisor of Group Accounts at Philadelphia, says the program was placed with the company's monthly experience rating product: Great-West Life pays the claims, then bills the client monthly for the claims plus a reserve and retention fee. This produces a lower net cost for the client because of reduced reserves held, and the cash flow advantage offered by delayed accounting.

The Phoenix Group Office achieved a major breakthrough when the **Arizona Education Association** endorsed Great-West Life's group tax sheltered annuity for its members. Shortly after enrollment started, annual premiums had reached \$200,000, with single premium transfers of \$30,000. Larry Hughes, District Group Manager in Phoenix, says service and flexibility were key reasons the Association endorsed Great-West Life's product.

The company's largest group pension contract to date was signed last year



Motor Coach industries decided to go Great-West and leave the pension planning to us. The Winnipeg based firm does business across North America.

with Philadelphia National Bank. The bank deposited \$8.6 million initially, with a further \$10 million at the end of the year. By combining Great-West Life's product with other investments offered by the bank, clients can achieve a better balanced portfolio, says Rick Simpson, Supervisor of group accounts in Philadelphia.

The benefit payments offices in Seattle and Portland experienced a "small explosion in personnel" last fall when group managers Martin Howard (Seattle) and Allen Rhyasen, FLMI (Portland) signed a large dental care program. The client, North West International Association of Machinists Benefit Trust, selected dental care coverage for its 18,000 employees and their families in six states. The annual premium is \$5.5 million. Claims will be handled jointly by Great-West's benefit payments offices in Seattle and Portland, which hired additional staff to handle the increase in claims.

The **Bayliner Marine Company** dropped anchor in Great-West Life's 'harbor', signing accidental death and dismemberment, and stop-loss coverage of \$25,000 on health insurance for its 1,250 shipmates. The 'crew' members are workers in Bayliner's manufacturing plants in Washington, Minnesota, and Georgia. A third party has contracted to pay claims, so Great-West Life provides



Bayliner Marine piped Great-West on board for 'AD&D' coverage.

the protection if claims are higher than expected. The case was placed through Martin Howard, manager of the Seattle Group Office. A sail boat owner, Howard claims he's a marine man at heart.

Working hard at 'people skills'

Field representatives must be well versed in the technical aspects of the products they sell, but in the past, the human side of marketing has sometimes been underemphasized. Great-West Life took steps to correct this imbalance last year by introducing People Skills courses, which cover such areas as the psychology of selling, human relationships, and development of interpersonal skills.

The aim is to help field representatives better focus on their clients' needs, and better understand the motivating factors behind those needs. Such an approach ensures that the client chooses the right insurance products for the right reasons.

There has been excellent feedback on the program, especially in Canada, where more than 400 of the company's field representatives have completed the course. In the U.S., the system was introduced to brokerage managers early in the year.

Terry Price, manager of Manpower Development (Canada) points out that the courses provide the framework for an ongoing learning process for the agent or manager. He adds, "The concepts need to be applied daily and the individual has to take advantage of the follow-up courses.

"When the agent does that, the focus of our business remains where it should: on satisfying the customer's needs."

Great-West Life earns A+ rating

Great-West Life enters the 80's with very positive recognition from three independent surveys of life companies' products and services.

The A.M.Best Company's industry-wide analysis, published in **Best's Review**, credits Great-West Life with excellent progress in all essential insurance services: "Based on our analysis of Great-West Life's financial position and operating performance, we assign it our general policyholders' rating of A+ (excellent)."

Stone and Cox Insurance Tables states: "The company's well-earned reputation for service, low-cost insurance and progressive administration was further enhanced by its 1978 results...It is evident that the company

follows a progressive policy in building up its financial stability and extending the scope of its operations."

The **Shoppers Guide to Life Insurance**, published last year by the Consumers' Association of Canada ranks Great-West Life among the top five companies in most categories. The Shoppers' Guide is based on figures supplied by 48 leading life insurance companies. The guide is designed to illustrate the price ranges for various life insurance products to help consumers narrow their choice of companies.

As Great-West enters the 80's, earning 'top marks' from independent sources will confirm the company's success in its drive to lead the marketplace.



Price: appreciating the client's point of view is part of an on-going learning process.

G 1979 RESULTS HIGHLIGHTS

Business in force tops \$57 billion

40,616,597

11.670.138

Total Assets

1979 \$4,396,148

1978

1977

1969

Continuing the upward trend of recent years, sales in 1979 of life insurance and annuities established a new record high for Great-West Life. Measured by the amount of life insurance protection provided and the maturity value of annuity plans issued during the year, sales totalled \$11,504,716,000, up 42% over 1978. Sales in the two regions, Canada and the United States, were virtually the same.

Health insurance sales, expressed in terms of gross annual premiums, also set a new record in 1979 at \$158,157,000, of which Canadian sales accounted for 47% and United States sales 53%.

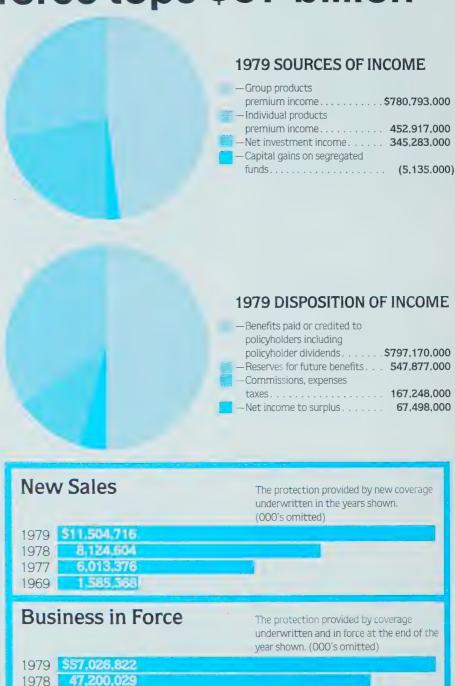
Life insurance and annuity business in force increased 21% to \$57,026,822, 000, of which 63% was in Canada and 37% in the United States. Health insurance in force, in terms of gross annual premium, totalled \$523,771,000 at December 31, with 45% and 55% in Canada and the United States respectively, representing an increase of \$154,757,000 over the previous year.

New customers

Over 39,000 individual life insurance policies were sold in 1979, with an average face value of \$68,828. This compares with an average protection per policy of \$46,509 in the previous year. In addition, 19,845 new individual annuity policies were purchased last year.

Group insurance accounts for a large portion of Great-West Life's activities. Last year 1,447 businesses, associations, or unions chose to insure their employees through Great-West Life. In addition, there were 547 new group annuity policyholders.

In total, by the end of 1979, Great-West Life had 480,000 individual insurance plans in force. About 2.7 million people were covered by 5,388 group insurance plans. Over 55,500 individual annuities and 4,718 group annuity (continued on p. 19)



The sum of all assets held and available

for the protection of policyholders.

(000's omitted)

Business in force

(continued from page 18)

plans from Great-West Life provide future income security for North Americans.

Income

Great-West Life's total income in 1979 reached \$1,573,859,000. Premiums paid by policyholders accounted for \$1,233,711,000 of the total, an increase of 21% over the previous year.

Net investment income, reflecting a substantial increase in investible funds, continuing high interest rates and a buoyant stock market, increased to \$345,283,000, up 28% over 1978. This money, invested on behalf of policyholders and shareholders in bonds, stocks, mortgages and real estate, yielded a 9.1% return on the company's total assets, compared with an 8.41% return the previous year.

Total funds available for investment, including repayment of principal on investments of previous years, amounted to \$845,000,000 compared with \$722,000,000 in 1978. Mortgage investments continued to account for the largest allocation of investible funds followed by bonds, real estate, and common stocks. The rate of interest on

bond and mortgage investments made in 1979 was 11.01% in Canada and 10.03% in the United States.

Net realized and unrealized capital losses on segregated investment funds were \$5,135,000 in 1979, compared with gains of \$5,848,000 in the previous year. These capital gains and losses do not affect Great-West Life's income as they are credited or charged to the segregated funds only.

Benefit payments

Great-West Life pays out money each year as life insurance claims; funds to reduce the costs of hospital care; reimbursement of dental bills; income for annuitants; replacement of income lost through disabling illnesses or accidents; and as dividends on participating plans. Last year \$797 million was paid out to policyholders and beneficiaries. As well, \$547.9 milion was added to the policy reserves held to provide for future payments to policyholders. In total \$1,345,047,000 was paid out or credited to policyholders.

Expenses

The company's operating expenses, at \$96,495,000, were up 24% over the previous year while compensation for

Great-West Life representatives was up 17%.

Net income

In the participating policyholders' account, net income from operations before policyholder dividends was \$66,683,000, up 41% over the previous year. Increased investment income and very favorable mortality experience were the two most significant factors in the improved result. Of the total, \$45,528,000 was appropriated for policyholder dividends (up 23% over 1978), and after providing for a charge of \$1,056,000 in extraordinary items, \$20,099,000 was carried forward to the participating policyholders' surplus account.

Net income from operations attributable to shareholders amounted to \$40,408,000, representing \$20.20 per share compared with \$16.92 per share in 1978, an increase of 19%.

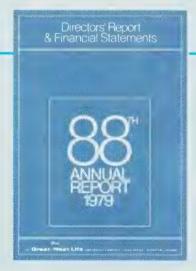
Improved investment earnings and mortality experience together with continued favorable results in the United States group health insurance line of business were principal contributing factors. Including extraordinary items totalling \$6,991,000, net income to shareholders was \$23.69 compared with \$18.63 the previous year.

Great-West Life's Annual Report

If you would like a copy of the 88th
Annual Report of The Great-West Life Assurance
Company (to which this magazine is a
supplement), it's yours for the asking.
It contains the Directors' Report and
Financial Statements, including the Summary

Financial Statements, including the Summary of Operations, Balance Sheet, and other significant facts and figures.

Just write to:



Mr. E. R. Allden Associate Secretary The Great-West Life Assurance Company 60 Osborne Street North Winnipeg, Manitoba, Canada R3C 3A5

Building a quality portfolio

Predicting tomorrow's weather accurately is a challenge the experts must meet daily. Predicting what the future holds for the economy is a challenge for anyone—expert or clairvoyant.

We've all heard the stories of weather experts who flip a coin daily—it gives them at least a 50% chance they'll be right

Great-West Life's investment division naturally strives for the smart side of 50%. It has to. It plays a crucial role in the company: meeting projected rates of return affects Great-West's competitiveness in the insurance marketplace.

The division relies on much more consistently accurate tools than a flip of the coin: top organization, highly skilled personnel, and painstakingly careful research and observation.

Great-West Life's real estate operations are divided into two major departments. Mortgage and Bond Investments, under Vice-President Marshall Smith is responsible for investing the company's cash flow allocated towards debt markets, as well as the ongoing management of those assets. The younger Real Estate Investment Department, under Vice-President Jim Mitchinson is responsible for managing the company's equity portfolio of properties, and its property development company investments.

Stretching a shrinking dollar

Both departments face a common challenge in the years ahead, according to their vice-presidents: the 'shrinking dollar'.

"At this point we feel inflation will remain a very major, in some respects built-in, factor in the North American economy," says Mitchinson.

Smith agrees: "I certainly don't see any improvement in the inflation rate in the short term, although there may be some improvement towards the end of the decade."

With increasing inflation, high quality mortgage loans become less readily available, and the duration of investments is reduced. To meet the challenge, the investment division continually reviews its philosophies.

"We're making a shift in our investment practises now," says Smith. "We're putting more money in bonds and other securities, and less into mortgages. The duration of our investments is also becoming shorter—five to ten years instead of the previous 20."

On the real estate side, Mitchinson says the inflation rate is putting pressure on the availability of developed real estate.

"The increasing costs of construction and the short supply of mortgage money are combining to discourage construction of new buildings," says Mitchinson. "The small and medium size builders no longer have the financial strength to take the risk involved."

Unless there's a significant adjustment in the North American economy, Mitchinson says he sees the pressure on existing properties intensifying until buildings eventually have 100% occupancy with waiting lists.

The result of this, according to Mitchinson, is increased competition for quality real estate.

"The real estate market was very, very competitive in 1979," he says. "And it will be considerably more competitive in the 80's. There are more buyers than sellers. That's great for owners, but for



Mitchinson: *quality real estate is becoming more difficult to acquire.*

buyers it's frustrating. They can't find quality properties to buy."

Because of this, Great-West Life will be seriously considering developing real estate properties itself in the 80's. Mitchinson says the company has the size and stability to make it worthwhile, if the market remains healthy. For example, the company is already developing an office building in southern California.

A large pool of buyers is also a major factor in the acquisition of mortgage and bond investments.



One Oak Brook Place: one of approximately twenty Great-West properties in Chicago.

"We expect a greater degree of competition between ourselves and other institutions we haven't traditionally shared similar interests with," comments Smith.

"We're innovative in our lending practises and we'll probably begin to run head-on into banks and trust companies on a regular basis in competition in the 80's."

Great-West has a solid reputation in mortgage and bond investments; a reputation it will strive to maintain and develop in the 80's.

"We are a leader in institutional financing for a number of industries in Canada," Smith says. "The way to continue that is to recognize the needs of the companies in those industries, and structure financing so it dovetails with those needs. The companies that are prepared to innovate will be the ones to become predominant."

Great-West is regarded as a leader in financing oil and gas, and cable TV industries in Canada. Across North America the company is known for its association with aircraft as well as nursing home and hospital financing. Smith says there will be increased involvement in these areas in the 80's, particularly in the resource industries, where there appears to be very great potential.

Research expansion

Smith cautions that innovation and expansion *must* be researched and planned, however "the environment we're working in is becoming tougher," he says. "The gyrations in the marketplace are becoming more frequent and more pronounced. For example, we had a major adjustment in the investment market in October that was unforeseen by most.

"One could almost make the comment that the decade of the 80's will be more turbulent than the decade of the 70's." he adds.

To face that kind of market, Smith says the investment division must be both nimble and thorough.

"If we're right about the stress and strain within the environment, we have to be ever watchful of the problem this creates for corporations and real estate properties, and the effect on increasing delinquencies."

Smith says strict adherence to industrial standard for investments is fundamental here.

For the mortgage and bond investment department, the philosophy for



Newport Place: a \$20 million, 10 storey office building in Newport Beach, California.

the 80's will remain focused as it has always been: forward looking, aggressive, and innovative; earning the maximum rate of return consistent with the degree of risk the company is prepared to entertain.

For the real estate investment department, the philosophy will also retain the perspective held throughout its five year history: to achieve, on the average, 125% of the return otherwise available to Great-West Life by buying bonds or mortgages of comparable quality.

Both departments achieved that in '79, a record year for the division both in sales of real estate, and in the volume of mortgage and bond investment business.

"We are very aggressive about acquiring quality real estate," says Mitchinson. "We feel it offers an excellent opportunity as an inflationary hedge investment. Rent tends to increase rather than decrease, land values tend to go up rather than down, and construction costs tend to go up.

"Real estate has already proven itself a sound investment in both good times and inflationary times," he says. "I think it would also prove to be a good investment in bad times, although I hope we never have to test that."

For the 80's, the real estate investment department intends to concentrate activity on communities it regards as growth communities relative to the national average. The department, according to Mitchinson, looks for communities with economic stability, diversity in industry, and good social health, as shown, for example, by a low crime rate. In the U.S., the company is concentrating on Dallas, Houston, Denver,

Southern California, and Chicago, although it is considering several other potential markets.

"As our asset base grows, and the company grows and has more money available for investment in real estate, we will expand in these markets," says Mitchinson.

Both departments are looking at substantial growth in the 80's.

Smith asserts that, with a projected growth of 50% in the investible cash flow over the next five years, his department will have to expand.

"We'll need highly trained, highly skilled people," he says. "We'll focus on that in the early part of the decade."

"We expect our real estate portfolio to grow in excess of the inflation rate—over 10% a year," says Mitchinson.

"We think we're very strongly postured for the 80's in terms of people and strategies," he adds. "We've got the people and we know what to do—all that remains is to do it."



Smith: looking at substantial growth in the 80's.

Solid foundations in the market

Great-West Life is entering the new decade with a solid and varied portfolio of quality investments—real estate, bond and mortgage. The company continues to follow an aggressive, innovative and sound investment policy that has produced this top quality portfolio.

In 1979, through its real estate department, Great-West invested approximately \$57 million in the United States, and \$30 million in Canada. At year-end, the company's direct real estate portfolio totalled \$162 million (market value) in Canada, and \$222 million (market value) in the U.S.

The company concentrates its U.S. real estate investments in five major markets: Chicago, Southern California, Dallas, Houston and Denver.

Great-West's 1979 investments in the U.S. include:

One Newport Place—a \$20 million, 10 storey office building in the Newport Place Business Park, Newport Beach, California. The building will be the major building in the park and will serve as its focal point. It is expected to be completed by September 1980. The 200-acre Newport Place Business Park is part of a much larger suburban business centre: the 6,000-acre Irvine Industrial Complex.

The company owns 10 properties in California with a total value in excess of \$40 million.

One Oak Brook Place — a 90,000 square foot office building, one of three luxury office buildings Great-West acquired in Chicago in 1979 for a total of \$12.7 million.

Oak Brook is an energy efficient building with a computerized energy control system which monitors energy use on a daily basis.

The company owns about 20 other properties in Chicago, with a total value of about \$35 million. The portfolio consists mainly of industrial and office buildings.

In Canada, the company has property investment offices in all the major market areas. Examples of the company's Canadian real estate investments in 1979 include:

Key-West Industrial Estate — the construction of three industrial/ware-house/office buildings at a total cost of \$3.5 million. Acquired by Great-West Life in 1976, Key-West is located within the 300 acre Crestwood Industrial Estate of Richmond, British Columbia.

The first facility is a warehouse/office with a total area of 71,959 square feet. It will be leased to Mustang Sportswear, a Vancouver based manufacturer and distributor of life floatation devices. The second property contains a one-storey, multi-tenant industrial/warehouse facility with 32,400 square feet of space. The third facility is a one-storey multi-tenant industrial/warehouse with 34,960 square feet of space, half of which has been leased to Toshiba of Canada, Limited.

1212 First St. South East, Calgary—a \$2.4 million, two-storey office adjacent to Calgary's downtown core. The building features horizontal cedar siding combined with masonry and bronze solar glass, and contains 28,956

square feet of rentable floor space. The major tenant, British Columbia District Telegraph Company, occupies 24% of the building.

The mortgage market

In 1979, Great-West Life invested \$243.5 million in the mortgage and bond market in Canada, and \$363.7 million in the U.S. That brings the company's current investment to date to \$1.3 billion in the U.S. and \$1.8 billion in Canada.

The company's Canadian 1979 investments include:

Oakwood Petroleum — a \$20 millior private placement, part of a \$90 millior deal with two other companies, for acquisition of property by the Canadian oil and gas production company. Great-West Life is a leader in financing in the energy and resources industry in North America, and Oakwood Petroleum represents one of the company's larger loans in the industry.

Chinook Shopping Centre — the \$40.5 million mortgage investment in the Calgary shopping center is Great-West's largest to date. The shopping center is one of the largest in Canada, with 200 shops. Woodwards and Simpson Sears are the major tenants. While the size of the investment is highly unusual for Great-West Life, the center is a very "blue chip deal."

Washington, D.C. and San Francisco.

Two areas in the United States were very 'hot' in 1979 for Great-West's mortgage investment department and are expected to remain hot into the 80's:

"Washington is probably the hottest office market in the U.S.," says Bob Moody, Mortgage Investment Officer for Great-West. "The demand, caused by the growth in bureaucracy is unbelievable." Office space is not only needed by government, but by the various professionals attracted by government, such as lawyers.

Other influencing factors are the stable economic base afforded by the presence of the federal government, the size of the market and the good potential for future investments.

Great-West's investments in Washington last year include:

The Enterprise Center—a 12-storey office building featuring a computer controlled environment. Great-West in-



Aerial view of Chinook Centre: one of Great-West's investments in Calgary.

vested \$11 million in long term financing for the building, located at Tysons Corner, one of the most strategic office markets in the entire metropolitan Washington area. The Enterprise Center is one of several buildings financed by Great-West which feature computer controlled climate for energy efficiency, and computer controlled security.

Casimir Pulaski Building—one of the premiere government office buildings in the capital city. The eight-storey building is located on the Senate side of Capitol Hill, long recognized as the home of the U.S. federal government. Great-West Life invested \$11 million to aid in acquisition of the building.

Old Georgetown Village—a 304 unit luxury garden court apartment development. Great-West invested \$5.6 million in Phase I and \$3.7 million in Phase II of the development. This is one of the premiere apartment complexes in Washington, located off one of the major commercial arteries in the northeastern U.S.

The company's mortgage correspondent in Washington, D.C. is Walker & Dunlop Inc.

San Francisco has always been a good market for Great-West Life, as well.

"San Francisco has an almost ideal climate, due to the moderating influence of the ocean," says Moody.

San Francisco offers a strong, healthy office market, growing population, low apartment and industrial vacancy rates, excellent growth potential and quality investment properties.

One Great-West Life investment there in 1979 was a \$13 million loan for renovation of a 48-year-old medical office building. The building, located in the downtown shopping and business districts, has remained a major medical office facility in the city.

Great-West's mortgage correspondent in San Francisco is Mason-McDuffie Co.

Great-West Life has a reputation for being innovative in its mortgage and bond investments, and for considering investments not traditionally looked at by other life companies. Three such investments from 1979 are:

MTS Systems Corporation—a \$6 million private placement for expansion of the existing manufacturing facilities of this highly specialized company. MTS designs, manufactures and sells testing equipment and machines used to simulate both actual and extreme operating conditions for extensive product analysis and testing.



Great-West Life became involved in Old Georgetown Village (above) and Enterprise Center (below) in 1979, both in the Washington area.



The company's customers are largely major U.S. and foreign companies found in the list of Fortune 500 and International 300 companies.

U. S. Home Corporation —a \$5 million private placement with the largest onsite manufacturer of single family homes in the U.S. The company manufactures primarily residential homes and has 197 communities currently under development in 65 cities. This is the first private placement Great-West has made in the housing industry.

Hardee's Food Systems, Inc.—\$5 million private placement to construct and remodel company-owned restaurants. Hardee's is a vertically integrated

fast food chain which processes and distributes meat and other restaurant foods. Hardee's currently owns 409 of the 1,144 Hardee's restaurants operating throughout the U.S. It's the fourth largest hamburger-oriented restaurant chain in the U.S.

"These investments are somewhat innovative in that not too many life companies are prepared to make them," says Brian Thompson, Bond Investment Officer for the company. "There are a limited number of institutions that will go into a private placement in the housing and fast foods industries, or into highly specialized companies such as MTS."

G- BLUEPRINTS FOR POLICYHOLDERS

New blueprints for underwriting

1979 saw Great-West Life break with tradition and adopt a new philosophy toward medical research—taking the initiative through direct funding and participation.

"Instead of being involved at arm's length, as the life insurance industry has tended to be, we've become more directly involved in some very fundamental research," says Dr. Bob Beamish, Vice-President, Underwriting and Medical at Great-West.

The research includes funding and participating in a special study on the relationship of stress and heart disease, and in-house studies on hemophilia, suicide, and electrocardiography.

The project on heart disease, launched in 1979, is an investigation of factors leading to increased risk of heart disease through stress. It is being conducted by Dr. Beamish, and Dr. Naranjan Dhalla, Professor of Physiology at the University of Manitoba's Faculty of Medicine. Dr. Dhalla is world renowned for his cardiac research.

The study aims to pinpoint the causes of sudden, unpredicted deaths through heart attack, especially in cases where autopsies reveal insufficient evidence of



Great-West Life has continued its traditional support of medical research, adding the new dimension of internal initiatives.

Photo courtesy of Winnipeg Health Sciences Centre.

heart disease to cause death. In such cases there is considerable evidence indicating stress as a factor. It is hypothesized that stress causes the body to produce a substance which in turn causes cell damage, irregular heart beat, and increased tendency to blood clotting.

"There is currently no program in existence to identify who will die sud-

denly of coronary heart disease," states Dr. Dhalla. "We want to develop a diagnostic test for early warning of dangerous stress levels. Stress can't be avoided, but if we could recognize a healthy person likely to suffer from heart disease, we might lower the stress level with drugs."

The project is based on laboratory research and on clinical research at Great-West Life and a Winnipeg hospital.

Studying suicide

Great-West Life is also an industry leader in a very topical area of research: seeking to identify potentially suicidal life insurance applicants. In 1979, underwriting manager Bill Weighton and underwriter Sheila Lindsay prepared a "Study of Suicide in an Insured Population 1973-1978," under the direction of Dr. Beamish.

The aim of the study was to isolate identifiable factors which might indicate a high risk of suicide, when an application for life insurance was made. This would give the underwriter a chance to decline or rate the application accordingly. The results of the study were presented to a meeting of the Canadian Life Insurance Medical Officers' Associa-



Dr. Beamish and his division have taken an active role in medical research, marking Great-West Life as an industry leader.

tion early in the year and also to the 10th International Congress for Suicide Prevention and Crisis Intervention in Ottawa.

Some startling facts were revealed by the study, which analysed company suicide claims over the past five years. One is that the average age of death of all suicide claimants was 19 years younger than the average in the general Canadian population. Even more startling was the fact that average age at death of suicide claimants who died within two years of the issue of their policies was 30 years younger than the general population.

The study also revealed that on the average, suicide claims cost twice as much as the average claim from all causes of death, and concluded that potentially suicidal life insurance applicants pose a real problem of antiselection for the underwriter/agent to combat.

Great-West's study outlined several warning signs an underwriter should note when reviewing an application for life insurance, including evidence of a previous suicide attempt, application for more insurance than the applicant needs or can afford, preoccupation with suicidal thought, depression, or suicide in the family.

Helping hemophiliacs

Another field Great-West Life is moving ahead in is insuring adult hemophiliacs. A five-year company study of hemophilia culminated in 1979 with the introduction of new, lower insurance rates for adult hemophiliacs, in both the U.S. and Canada.

Adult hemophiliacs have traditionally



Sheila Lindsay, Dr. Beamish, and Bill Weighton uncovered startling statistics in their study of suicide victims with life insurance policies.

been considered uninsurable, or insurable only at prohibitively high rates, by the industry. However, the five-year research study conducted by Weighton showed that the mortality rate of adults with the condition is much lower than had previously been assumed.

Hemophiliacs suffer from a gene deficiency which limits or severly reduces the ability of the blood to clot. The hemophiliac faces difficulty controlling bleeding from minor cuts, bruises, or abrasions. Hemophiliacs can be treated with injections to help coagulate the blood, but the effect is temporary. Virtually all hemophiliacs are male; the condition is passed through women to their male descendants. There are approxi-

mately 25,000 hemophiliacs in the U.S. and 2,500 in Canada.

As a result of the study, Great-West Life developed new guidelines for company underwriters to follow when evaluating a hemophiliac's application for coverage, increasing his chances of getting insurance coverage at a rate he can afford.

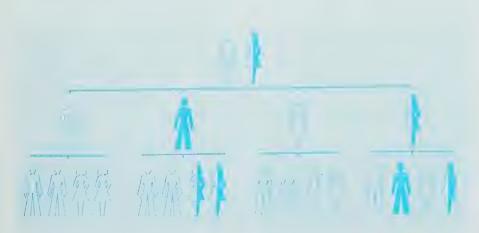
The study is by no means finished, and Great-West, under Dr. Beamish's direction, will continue to follow hemophilia research and try to reduce rates further based on new information.

Blood pressure examined

This year, Great-West adopted more liberal risk appraisal for people suffering from high blood pressure (hypertension) in response to the declining mortality rate. As well, the company has completed a study of certain abnormalities of the electrocardiogram.

Great-West Life has also created a research scholarship in cardiology at the University of Manitoba, providing \$25,000 annually for a study on the dynamics of the heart as a pump, being conducted by Dr. John Rabson.

In addition to more direct involvement in medical research, Great-West Life is continuing its traditional support of medical research through grants to recognized foundations, hospitals and universities.



The chart illustrate the transmission of hemophilia from the carrier mother (half dark, half light) to the affected child (all dark), usually male. Hemophiliacs have had difficulty, in the past, obtaining insurance at less than prohibitive rates.

Building on a tradition of service

Great-West Life has a long-standing tradition of service, both to its policy-holders and the public. This year saw Great-West Life continue and expand on those traditions in two important areas: rehabilitation, and identification of medical problems.

For several years Great-West Life has recognized the difficulties disabled policyholders face when they try to return to work. A successful rehabilitation counselling program was instituted when the company hired five registered nurses in Vancouver, Edmonton, Winnipeg, Toronto and Montreal. The nurses work with disabled employees and their families, doctors, employers, and local service agencies to co-ordinate rehabilitation programs.

Marie Houston is one of the program's success stories.

Houston, an elementary school teacher with 33 years' experience, was partially paralysed at the age of 63 by a severe stroke. She spent five months in hospital and, as she began to recover, set a goal for herself: to return to work until her retirement.

Houston was receiving disability benefits through Great-West Life, and company rehabilitation officer Donna Marshall went to work with her. "Marie had to



Houston: *motivation and support from others are the keys to successful rehabilitation.*



Wolfson: "Medic Alert bracelets speak for you when you can't speak for yourself."

overcome many obstacles to reach her goal, but I never discouraged her from trying," Marshall recalls.

A year later Houston was ready to return to work, and Marshall met with the school principal to discuss any potential problems. The stroke had left Houston with some perceptual problems, making it difficult for her to walk in open areas. So, with Marshall's help, she practised walking up and down the school corridors until she felt comfortable.

Her goal achieved, Houston retired at the end of June, 1977—but not for good. Last fall she was back at school three afternoons a week teaching students with learning difficulties.

Based on her experience, Houston says successful rehabilitation depends on two factors: the patient's motivation, and support from family, friends and professional people.

"I had two very understanding and encouraging people on my side," recalls Houston. "They were a doctor at the Rehab Hospital, and a very supportive nurse from Great-West Life. Both knew the degree of my disability and the limitations it imposed on me, but they supported my philosophy: life means living—not stagnating in self-pity."

Houston was just one of many disabled policyholders to receive rehabilitation counselling through Great-West Life.

An ounce of prevention

While some Great-West Life people work helping individuals adjust after an accident, illness, or death in the family, others, like Winnipeg agent Rick Wolfson, are concerned with prevention.

A member of the Winnipeg Chapter, Life Underwriters' Association of Canada, Wolfson was actively involved in promoting the Medic Alert program among local chapter members in 1979.

"The Medic Alert bracelet is a travelling medical record that speaks for you when you can't speak for yourself," says Wolfson.

The Medic Alert Foundation International is a charitable, non-profit organization which provides a three-part system to help members in Canada, the United States, and 15 other countries.

The first part of the system is the necklace or bracelet, with the internationally recognized Medic Alert medalion. The back of the medallion is inscribed with the member's personal Medic Alert number, collect phone number for the

(continued on p. 27)

The 'blueprint' is easy to read

Great-West Life introduced its first simplified language policy form in the U.S. in 1979 as part of an ongoing project to make its contracts easier for the public to read and understand. A simplified annuity was introduced in October, 1979 followed by new life and term insurance plans in January 1980.

Simplifying policies and forms means extensive rewriting to use shorter sentences and replace technical phrases with simpler words. Most complex terms can be replaced with more familiar words, with only a few exceptions such as "beneficiary" and "annuitant,"



Raybould: working toward clear, concise policies

Responsibility to U.S. legislation

The new simplified contracts are being drafted in response to the National Association of Insurance Commissioners' Policy Language Simplification Model Act, adopted by most U.S. states. According to the laws, contracts and forms are scored against the Flesch Reading Ease Test, developed by language expert Dr. Rudolph Flesch. Written works are scored on a scale of 0-100: the higher the score, the easier the piece is to read. The NAIC model law requires a score of at least 40, although Massachusetts requires a score of 50.

"With this in mind our aim is to make the language of our policies as clear, concise and understandable as possible," says Harvey Raybould, Great-West's Supervisor of Individual Contracts. "At the same time we try to achieve a score above the minimum 50. The new policies average in the middle 50's and most riders score higher."

Although no Canadian laws have been passed concerning contract readability, the Canadian Life Insurance Association has developed a model for simplified language policies.

Great-West Life's U.S. individual and group life products are the first to be simplified, but the project calls for future rewriting of U.S. health product documents as well as a review of the company's Canadian life and health policies.

...and it's bilingual!

Great-West Life has received its provisional Francization Certificate from the Quebec Provincial Government in recognition of the company's continuing efforts towards francization.

"The certificate recognizes that we have made good progress towards francization of our business within Quebec; that is, we have generalized the use of French at all levels of our business in the province," explains Franck Pellerin, manager of the company's Translation Services Department.

With the certificate, required by the Quebec Government's Charter of the French Language, Great-West Life can do business with the provincial government and its agencies, as well as with

any other companies which have the certificate.

The provincial government will next analyze the company's use of French in Quebec to determine if a permanent certificate should be issued. The provisional certificate is effective for three years. Pellerin is confident that only minor adjustments to the company's current policy of French language usage, if any, will be necessary.

The company has two translation offices, one at Head Office and the other in Montreal. The Montreal office opened in July, 1976.

Great-West Life has been dealing with its French speaking clients in French since 1903.

Medic Alert

(continued from p. 26)

Central Data Bank in Turlock, California, and the most serious of the member's medical problems.

Members are also provided with wallet cards containing pertinent information on identification, who to contact in case of injury, and a more complete list of medical information. The cards are updated annually.

The third part is the collect phone

number to the Central Data Bank, which operates 24 hours a day. Doctors, police or anyone giving aid can immediately get vital information by calling the head-quarters.

An important part of the program, however, is publicity: Wolfson's priority in Winnipeg last year. He coordinated Medic Alert Month, promoting the program, and distributing pamphlets and application forms to life underwriters in the city. Similar campaigns were carried out across Canada and the U.S.

"We suggest to agents that if they

discover their client has a medical condition, they provide a Medic Alert application and explain how the program works," Wolfson says.

The most common reasons for membership include: allergy to penicillin, insect stings, codeine, or sulfa drugs; diabetes, heart condition, epilepsy, glaucoma, neck breather, implanted pacemaker, taking anticoagulants or wearing contact lenses. The bracelet also serves to identify joggers with low pulse rates or others who might not carry identification.

The plan: 'computer efficient'

Early in 1979, Great-West Life began extensively redesigning its computer systems for handling individual products—a project that will take well into the 80's to complete, resulting in increased speed and efficiency for clients.

The aim of the project is to develop new systems for administering individual business, from the time a policy is issued to the retention of information for historical purposes. The new system will replace the present one, developed about 17 years ago, which is becoming expensive to maintain and can no longer respond quickly enough to the market place.

The project is an evolutionary one.

"Because of the impracticality of building all lines of business at one time, elements of the new system will be developed and implemented in phases over the next several years," says project leader Al Beveridge, Corporate Systems Development Officer for Great-West Life.

Phase One of the project includes three major components: creating the basic structure for the new system; implementing a new method for some individual life policy transactions; and revising management information systems. This phase alone will take more than two years to become operational, with four project teams and a technical support group working together.

In developing the systems, project members work closely with company departments using the current systems to determine their computer needs, then apply today's technology to meet those needs.

The computer systems handling individual products are not the only systems undergoing revision. Current projects for group insurance include computerizing group health claims services, with installation of computer terminal facilities in benefit payments offices across Canada and the U.S.; and computerizing manual rates to help underwriters calculate rates more easily for both new and renewal business.

Another project underway at Great-West Life is the development of a new payroll system for both countries, which, when fully implemented this year, will cut down the amount of recurring work (particularly tax reporting) for the company's payroll department.

Along with these special projects go constant updating and revision of current systems, such as the corporate model—a computer system which produces a financial forecast for the company for a five-year period; the Alphabetic Index, a cross-reference file of clients by name; and the generalized inventory facility. The generalized inventory allows the company to retrieve information as specific as the number of 28-year-old women who purchased individual life insurance from Great-West in 1978.

"More and more of Great-West Life's business is becoming tied into the company's computer system," comments Jens Pederson, Corporate Systems Development Officer. "Terminals are being installed at Head Office and its satellite buildings as computer hardware becomes more affordable. Computer personnel can't be hired quickly enough to meet the demand," he adds.

Because the computer is such a vital part of the company's operations, security is essential. Access to terminals is strictly controlled, so that only authorized personnel can inquire into and change the information stored in the data base, ensuring the integrity and privacy of the information.

...and 'humanly warm'

With the increasing use of computers and advanced technology in our every-day lives, some view the 80's with apprehension, perhaps as the decade of decreasing personal contact.

Not so at Great-West Life, where the young Customer Interview Department is working to increase that contact.

The department, set up late in 1978, conducts personal interviews with customers on such topics as their occupational duties, aviation risks or hazardous sports hobbies: information necessary to establish premiums. It replaces inspection reports prepared by outside companies.

Six interviewers in the department make about 900 calls in total per month,



Cournoyer: a public relations job for the company.

during both day and evening. The program covers western Canada, Ontario and Newfoundland, and plans call for the remaining provinces to be phased into the program as soon as possible. The department is also looking into expanding the program to the United States.

After nine months of operation, a study showed the program generally received favorable customer response, took less time than relying on external reports, and cost less. Great-West Life is the first company to become involved in this type of experiment.

A large part of the success of the program can be attributed to the skilled interviewers.

"I love the contact with people," comments interviewer Carmelle Cournoyer. "Even though we use a standard questionnaire, every call is different because the person at the other end of the line is the variable."

The interviewers learn to quickly identify what type of person they are talking to; some customers are businesslike, while others enjoy a few minutes of general conversation.

"When we explain why we're asking the questions—that their premiums will be based on their own health and lifestyle—people are usually very willing to co-operate."

Cournoyer describes her work as "A public relations job for the company. If a client is happy when he or she hangs up the phone, they might come back for more business."

C THE PEOPLE 'STOREY'

Master builders

Some people build for the future. Two men with such forward-looking vision are George Elonka, CLU, former Portland Branch Manager, and Dan Lawton, CLU, former Edmonton North Branch Manager.

Both Elonka and Lawton retired from management in 1979, and both left their mark on the company. Not only did they strive for—and achieve—excellence themselves, they taught others to set high standards and aim for success.

The results of their efforts are farreaching for the company: Elonka and Lawton share in an assurance of continued achievement in the future.

Elonka:

"His is a success story that embodies all those qualities we admire—dedication to profession, loyalty, and an infectious enthusiasm for his associates and his company."

Those words were spoken by Jim Burns, Chairman of the Board, at the

opening ceremonies of the company's 1979 United States Marketing Conference. The man was George Elonka, leaving full-time service with the company after a distinguished career of 33 years.

In Elonka's 28 years as Branch Manager in Portland, the branch's production rose from \$506,030 in 1952 to over \$22 million in 1978. In Jim Burns' words, Elonka "built a great agency. He established our company in Oregon and he brought Great-West an interesting, often exciting history."

Elonka has an enviable record of building agents—top agents—in the company. Two of his recruits were Bob Perkins, CLU, now manager of the company's Denver agency, and Paul Mills, recently retired managing director of the Chartered Life Underwriters Association.

Armed with drive and enthusiasm, Elonka had his own, personal philosophy to guide him. "Every bright, sharp young person I ever had the opportunity to shake hands with, I believed



Elonka's credits include an impressive record as an agency builder

should either buy from Great-West Life, or work for Great-West Life and become part of the management team," Elonka says. "This company offers anyone the best opportunity of the insurance industry."

Yet insurance has been only one facet of Elonka's busy life. He has contributed his time and effort to community service and has received numerous awards for his work. In 1969 he received the Distinguished Service Award for Community Service from Kiwanis International and was named Man of the Year.

His accomplishments in the insurance industry have been outstanding as well. In 1948 he was named head of the Life Insurance Department at Michigan State University and he is a past-president of Great-West Life's Managers' Advisory Council. He received the Oregon State Life Underwriters Certificate of Appreciation and the National Management Award from the General Agents' and

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Elonka's commitment to his career was so complete, he remains convinced that every bright young person he meets should either buy from or work for Great-West. Above, Elonka at one of his first company conventions.

Master Builders

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Managers' Council, of which he is a Chartered Life Member.

For those wishing to emulate Elonka's notable career, he has simple advice: "Just do your very, very best. That's all I did."

Lawton:

Working with two agents in 1955 at Edmonton North was just a beginning for Dan Lawton. He built the branch into a finely-tuned operation which, in 1978, set a company sales record with \$57 million of combined volume.

While this achievement was the highlight of Lawton's career from a sales standpoint, the real highlight for him was that 35 of his 51 agents qualified to attend the 1979 Marketing Canada Conference: the highest attendance ratio of any office.

Lawton's retirement on December 14, 1979 marked the end of a 34-year career as one of the company's most highly respected branch managers.

Although his official retirement date is April 1, 1980, he stepped down at



Lawton is quick to praise his wife, Edna's support throughout his career.



An open door was Lawton's trademark, but the traffic through that door increased over the years: from 2 agents in 1955, to 51 in 1979.

year-end to allow new manager Roy Williams to take over at the start of the business year. Lawton then took on a new role with the company as marketing consultant.

But Great-West won't be without a Lawton in the branch office business. Son Harvey Lawton, CLU, manages the new Grande Prairie office, while son Wayne now works with his dad.

Lawton believes that the key to Great-West Life's success has been teamwork. When the field force was praised at the company's 1979 annual meeting for the record-breaking performance in 1978, Lawton replied: "I appreciate those remarks but production is only a small part of the entire company effort. Leadership must flow from the top, and must create an environment that allows people to exercise their creativity and their skills to the fullest extent."

He says his own development as a manager was based on observing others and learning by doing. "There were very colorful managers to watch in my early days in Edmonton North—legends and outstanding individuals in their own right."

Commenting on the future role of advisors and specialists in the agency function, Lawton later remarked, "One person can't be all things. You have to rely on your back-up expertise. We're looking to a team approach."

Lawton sees the agency system remaining the primary force in individ-

ual product sales. The introduction of many top notch people to the business is imperative to the continued health of the agency system, he emphasizes.

"The heart of an agency business is the quality and the dedication of its staff. Great-West Life has come to mean a lot to me because it has been blessed over the years with people of honor, people who are just plain good to associate with."



Lawton: the heart of an agency is its staff.

Architects of the 80's

Red Cross honors Aitken

George Aitken, Great-West Life's retired Vice-President of Administration, has been awarded the Henry Dunant Medal—the most distinguished honor of the International Committee of the Red Cross. The medal is presented every two years to no more than five individuals, in recognition of outstanding service.

Aitken began his Red Cross work in 1939, with the Manitoba Division, on war-related tasks. He was named chairman of the society's national executive committee in 1955 and chairman of the central council in 1956. In 1960 he was honored with the Canadian Society's highest award, an honorary counsellorship. In the same year he became chairman of the newly-formed League of Red Cross Societies' Permanent Seal of Contributions, continuing in this capacity for 18 years. He is an honorary national vice-president of the Canadian society.

Aitken retired from Great-West Life in 1971, after a 34-year career with the company.

GWL volunteers fight flood

The spring thaw of 1979 brought one of the worst floods the residents of the Red River Valley had experienced in decades. Southern Manitoba and large sections of North and South Dakota were virtually under water. Dotting the once dry landscape were isolated communities whose dike barriers still held against the pressures of the flood water.

On April 26, in response to the emergency, Great-West announced that staff could volunteer work time to help fight the flood. During the next week, 150 staff members provided assistance, either in the southern communities or in lowlying areas in and around the city of Winnipeg, building dikes to hold back the flood waters. Lifting 60-pound sandbags proved to be exhausting work, yet neither that nor the cold drizzle and muddy worksites seemed to slow the progress of the crews.

For many of the volunteers, living within the boundaries of the Winnipeg Floodway and protected against the danger of the rising waters, building dikes brought home the severity of the situation. For those affected by the rising waters the problems were many: threatened and damaged property, sanitation problems, food shortages, and communication breakdowns.

The welcome help of the Great-West volunteers wasn't soon forgotten. One couple who had received assistance had the RCMP pass on this message: "To all the people at Great-West Life who lent a helping hand, Tony and Minnie say thanks."

Burlington honors Tonelli

Tom Tonelli, CLU, an agent with Hamilton Niagara Branch, was named "Citizen to be Remembered for 1979" by the City of Burlington, Ontario.

Known as the "pillar of the Cancer Society" in the community, Tonelli has

served on the Burlington, Hamilton-Wentworth, and Ontario Cancer Society campaigns for the past 12 years. He is a founding member of the Burlington Youth Residence and Burlington Junior Achievement, and the 1979 president of both organizations.

Combining his work as an agent with his community service work keeps Tonelli busy. "I need to be active," he says, "and my time is no sacrifice for the rewards involved."





Tonelli

Girardin

Great-West's first FALU

In 1979 Claude Girardin, FLMI, Underwriting Supervisor, became a Fellow of the Academy of Life Underwriting. He earned his FALU designation after submitting a special project paper entitled "Good Communications: The Cornerstone of an Improved Underwriting/Agency Relationship."

Girardin is the first Great-West Life staff member to become a Fellow of the Academy, and is also one of very few individuals in Canada qualified for this designation.

Fraser: Still going strong

At the age of 59—when many people are preparing for their retirement—J. M. "Moss" Fraser began his second career, as a life insurance agent with Great-West's former Winnipeg Branch Office.

Now 96, Moss holds the distinction of being the company's oldest agent. He went on pension in 1958 at the age of 74, but today he still does some service work for his former clients and their families.

His first career was in agriculture, as a grain farmer near the community of Hamiota, Manitoba. He ran his own farm for many years and later managed a grain elevator before moving to Winnipeg and joining Great-West Life.



Great-West volunteers did everything from building dikes to chasing baby chickens in the dark at a poultry farm threatened by the flood.

Facey on Olympic team

When the fourth annual National Amputee Games ended in July of 1979, Chris Facey, CLU, a sales representative with St. John's branch, Newfoundland, went home with five gold medals and one bronze. He won gold medals in the shotput, discus, 100 metre run and long jump events, setting new Canadian records in each of the divisions. He also won a bronze in the pentathlon, and as a team member, a gold in volleyball.

Facey was then chosen to be part of a team of 23 representing Canada at the Stoke Mandeville Games held in late August of 1979 in England. Facey's team secured first place for Canada, collecting more gold medals than any of the other 26 participating countries had in total.

Facey will represent Canada in the 1980 Olympiad for the Physically Disabled June 20-July 5 in Ainhem, Holland.

A centennial celebration

On July 20, 1979, one of Great-West Life's policyholders, Mr. John Alexander McDonald Craig of Prince Albert, Saskatchewan celebrated his 100th birth-



day. The company first issued a policy to him in 1905 and in 1908 Craig purchased his second policy. June 1, 1980 will mark his 75th anniversary as a Great-West Life policyholder.

Moving to Prince Albert in 1935, Craig joined the Chamber of Commerce that year, becoming its president in 1939. A lifetime member of the Chamber.

the organization's monthly newsletter carried a special tribute to him on his 99th birthday. An excerpt reads: "His keen observation of the local scene and the experiences that he is always so willing to share with his fellow merchants and many friends in Prince Albert have enriched the life of the community."

Larson celebrates 100 years

Great-West policyholder Ludwig Larson of Kamsack, Saskatchewan, believes that the secret to long life lies in working hard, spending each night at home, and not smoking and drinking. And he should know. "Grandpa Larson," as he is respectfully known at Kamsack's Eaglestone Lodge, celebrated his 100th birthday on October 10, 1979. His health is relatively good and he's still proud of his reputation for physical strength.

Born in a small village in Norway in 1879, Larson immigrated to Forest City, Iowa in 1902 where he was employed as a laborer.

He came to Canada in 1911, farming in the Stornoway district. The following year he married Rogna Hanson, and together they farmed six quarters of land until they retired in 1951, moving to Kamsack the same year.

Prevalnig campaigns for Big Sisters

Joan Prevalnig, FLMI, Manpower Planning Manager, joined Winnipeg's Big Sister organization two years ago as a member of its Board of Directors. Big Sisters is a volunteer group which matches girls from seven to 11 years of age with an older female companion—a "Big Sister."



McLaughlin got a real lift when he signed the City of Detroit for a LTD program.

No stopping McLaughlin

In the spring of 1979, Detroit's Group Manager Fred McLaughlin proved you can't keep a good man down. McLaughlin was immobilized by tendon damage to both legs and under doctor's orders not to move. He'd been home from the hospital for just two days when he found himself with an appointment with representatives of a prospective client, the City of Detroit. McLaughlin first started working with the group two and a half years ago: he wasn't about to miss the meeting.

Although the client offered to bring the entire meeting out to McLaughlin's house, he replied that they simply wouldn't fit. "That's when my wife Rosemary said, 'Well then, let's bring the mountain to Mohammed'," McLaughlin chuckled.

He shortly found himself en route to the meeting in unusual style: first by ambulance and then by wheelchair. McLaughlin's "wheelings" and dealings were successful: the City of Detroit signed for a long term disability program with Great-West Life. As chairman of the fund-raising committee for 1979, Prevalnig was assigned the task of raising \$20,000 to meet budget objectives and was successful.

Prevalnig is optimistic that, with the financial pressures relieved for now the group will be able to concentrate their efforts on the main job—recruiting new Big Sisters and spending time with the Little Sisters.



Prevalnig

Murdoch

Murdoch takes on fund-raising

The first national fund-raising campaign for the Canadian Diabetes Association was launched in March, chaired by Dean Murdoch, Director of Communications for Great-West Life.

Diabetes is the third largest cause of death in North America. To raise funds for research and treatment of this disease, 12 and a half million pledge cards requesting public sponsorship of a diabetic athlete in the Boston Marathon will be distributed across Canada. The national campaign is based on a test run of the pledge system in Manitoba last year, under Murdoch's direction. Based on the provincial results, the CDA hopes to raise well over one million dollars in the national campaign.

Simantel guest on television show

Betty Simantel, a Group Representative in Indianapolis, appeared on the TV information program Indiana Illustrated in April of 1979, speaking on life insurance for women. She discussed women's needs for life insurance and the economic loss a husband can sustain when his wife dies. She also compared life insurance and annuities, and spoke on the savings and insurability aspects of insurance.

A second appearance is scheduled for early 1980 when Simantel will be part of a panel discussion on women selling insurance. Later, she plans to conduct sessions on group life insurance through an association of women life underwriters.



Simantel

Wiener

Industry tape records Wiener's methods

Grand Rapids Branch Manager John Wiener is the first Great-West Life manager to be invited to record a program in Wilson Learning Corporation's insurance industry tape series. Called the "Legacy of Learning," the series is designed to

teach managers and agents effective goal-reaching techniques.

Top industry performers with expertise in a particular area are asked to prepare a presentation for the tape series. Wiener's specialty is teaching agents methods of prospecting. Two years ago he introduced a 12-week course called the "Prospector's Club" at Grand Rapids Agency.

After the tape had circulated for two weeks, Wiener had already received 15 requests from managers in other companies for more information.

Beamish earns distinguished service award

When Manitoba's Brandon University held its spring convocation May 5, 1979, a distinguished service award was presented to alumnus Dr. Bob Beamish, Vice-President, Underwriting and Medical.

Beamish is a member of 25 medical and scientific societies, and holds eight fellowships from colleges of physicians and cardiologists in North America and Great Britain. He is a member of the Canadian Association of the Club of Rome and is active with the Winnipeg Branch of the United Nations Association and the Canadian Institute of International Affairs. Beamish has researched and written more than 70 articles on cardiology, and he is the past-president of the Canadian Life Insurance Medical Officers Association.

The citation on his award from the Brandon University reads: "In recognition of an outstanding record of public service, and of contributions to society exemplary of the highest traditions of graduates of this university".

Great-West Life Executive Officers

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President and Chief Executive Officer

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Vice-President, Personnel

H. W. B. MANNING

Vice-President and Counsel

R. K. SIDDALL

Vice-President and Secretary

Great-West Life Offices

CORPORATE HEADQUARTERS

60 Osborne Street North Winnipeg, Manitoba

(G) Group Offices

(1) Individual Offices

(B) Brokerage Offices

Canadian Region

MARKETING OFFICES

CANADIAN MARKETING HEADOUARTERS Suite 1100, 191 Pioneer Avenue

Winnipeg, Manitoba

QUEBEC MARKETING OFFICE 25 Edison, Place Bonaventure

Montreal, Quebec

CANADA EASTERN MARKETING OFFICE

1101-11 King Street West

Toronto, Ontario

CANADA WESTERN MARKETING OFFICE

1405 The Home Tower, Toronto-Dominion

Square, Calgary, Alberta

British Columbia

Burnaby

275-6450 Roberts Street (I)

Prince George

602-550 Victoria Street (1)

Vancouver

930-505 Burrard Street (1)

15th Floor, 1177 West Hastings Street (I,G)

1204-1175 Douglas Street (I)

Kelowna

201-1610 Bertram Street (I)

Alberta

Calgary

907 The Dome Tower (I)

904 The Dome Tower (G)

720-999-8th Street S.W. (1)

Edmonton

1220 Royal Bank Building (I)

1214 Royal Bank Building (G)

900-10025 Jasper Avenue (I)

Grande Prairie

201-10120-101st Avenue (I)

Saskatchewan

Regina

655-2625 Victoria Avenue (I)

102-1823 Cornwall Street (G)

Saskatoon

201, 230-22nd Street East (I)

Manitoba

Brandon

400-740 Rosser Avenue (1)

Winnipeg

300-155 Carlton Street (G)

302-155 Carlton Street (I)

1100-1 Lombard Place (I)

1000-444 St. Mary Avenue (I)

217-153 Lombard Avenue (I)

Ontario

Hamilton

9th Floor, 155 James Street South (I)

1020-100 King Street West (G)

Kingston

501-837 Princess Street (I)

Kitchener

7 Duke Street West (I)

London

200 Queens Avenue (1) Mississauga

600-101 Queensway West (I)

Oshawa

Ste. 3-58 Rossland Road W. (1)

Ottawa

1900-130 Albert Street (I)

206-1335 Carling Avenue (G)

Toronto

14th Floor, 120 Adelaide Street West (I)

2 Carlton Street (I)

2500-2 Bloor Street West (I)

1802-181 University Avenue (G)

211 Consumers Road (I)

Windsor

1015 University Avenue West (I)

Ouebec

3rd Floor, 15 Gamelin Boulevard (I)

Montreal

1860-500 Place d'Armes (I)

200-4 Place du Commerce, Ile des Soeurs,

Verdun (I)

7 Elgin, Place Bonaventure

1711 One Westmount Square (I)

3419 Simpson Street (I)

1901-One Place Ville Marie (G)

Ouebec

4 Place Quebec, Niveau Bl. (I)

New Brunswick

Saint John

301-35 Charlotte Street (I)

Nova Scotia

Halifax

1010-1809 Barrington Street (I)

1304-1809 Barrington Street (G)

Newfoundland

St. John's

5th Floor, Royal Trust Building,

Water Street (1)

Prince Edward Island

Charlottetown

57 Queen Street (1)

BENEFIT PAYMENTS OFFICES

Vancouver

15th Floor, 1177 West Hasting Street

Edmonton

1130-10025 Jasper Avenue

Winnipeg

301-155 Carlton Street

Toronto

4th Floor, 365 Bloor Street East

Montreal

18 Dolbeau, Place Bonaventure

Ste. 1306-1809 Barrington Street

Sydney

Sydney Shopping Centre

St. John's

25 Kenmount Road

United States Region

MARKETING OFFICES

UNITED STATES HEADQUARTERS 15th Floor, 1675 Broadway

Denver, Colorado

Arizona

Phoenix

204C-4350 Camelback Road (B)

100 West Washington, 1st National Bank Bldg.

Suite 1200A (G)

California Los Angeles

9th Floor, 3701 Wilshire Boulevard (I,G)

830-3701 Wilshire Boulevard (B)

157-1300 East Shaw Avenue (I)

820 Towers II, Campbell & Bascom Avenues (I)

San Francisco 8th Floor, 600 Montgomery Street (B,G.)

Suite 203, 540 North Golden Circle Drive (G) Suite 114, 2030 East Fourth Street (B)

Colorado

Denver

1675 Broadway (I) (G)

Connecticut

Hartford

200-100 Constitution Plaza (I)

225-100 Constitution Plaza (B)

Florida

1450 Madruga Avenue, Suite 300 (B) Georgia

208-One Piedmont Center (B)

2180-3340 Peachtree Road, N.E. (G) Illinois

Atlanta

Chicago

606-6160 North Cicero Avenue (I)

1035 LaSalle Bank Building (B)

1030 LaSalle Bank Building (G)

2111 LaSalle Bank Building (B) Peoria

Suite 500, 200 Main Building,

207 Main Street, (I,G)

Indiana

Indianapolis

7th Floor, 9000 Keystone Crossing (I.G.)

Maryland

Baltimore (Towson) 300-8600 LaSalle Road (I) Suite 2120, 36 South Charles Street (G)

Washington, D.C. 700-2550 M. Street N.W. (G) 2 Research Place, Rockville (B)

Massachusetts

Boston 400-133 Federal Street (G,B)

Michigan
Detroit
Suite 2100 and 2166-100

Suite 2100 and 2166-100 Renaissance Center (G) Southfield

714-17117 W. 9 Mile Road (I)

BENEFIT PAYMENTS OFFICES

Atlanta 2180-3340 Peachtree Road, N.E.

Boston 400-133 Federal Street

Chicago 1042-135 S. LaSalle Street

Cincinnati 380-120 E. 4th Street

Cleveland 815-1300 E. 9th Street & St. Clair Avenue Grand Rapids 480 Union Bank Building (I) 380-2900 Charlevoix Drive, S.E. (G)

Minnesota

Minneapolis 245-6600 France Avenue South (I,G)

St. Louis (Clayton) 1610-7777 Bonhomme Avenue (B,G)

Kansas City Suite 233, One Ward Parkway (B)

Nebraska
Omaha
100-7101 Mercy Road (B)

New Jersey
North Jersey
55 U.S. Highway #46, Montville
Center III (G)

North Dakota Fargo 614 Gate City Building (I)

Columbus Suite 101-250 East Town Street

3636 Cedar Springs Road

Denver
Suite 300-1675 Broadway

Detroit

2166-100 Renaissance Center *Grand Rapids* 390-2900 Charlevoix Drive, S.E. *Houston*

1330-3000 South Post Oak Road Los Angeles 820-3701 Wilshire Boulevard Ohio

Cincinnati 3rd Floor, 120 East 4th Street (I,G)

1325-1801 East Ninth Street (I) 200-1468 West Ninth Street (G)

2nd Floor, 250 East Town Street (I) 100-250 East Town Street (G)

Oklahoma

Tulsa 715-5310 East 31st Street (G)

Oregon
Portland

Porlland 1600 South-West Fourth Avenue (I,G)

Pennsylvania

Philadelphia 910-2000 Market Street (G,B)

Milwaukee Suite 3585-777 East Wisconsin

Avenue Minneapolis

245-6600 France Avenue South

410-200 Main Building *Philadelphia*

9th Floor, 2000 Market Street Portland

Suite 160, 1800 S.W. 1st Avenue

San Francisco 5th Floor, 100 California Street South Carolina

Columbia Suite 202-3710 Landmark Drive (B)

Texas

Dallas 3636 Cedar Springs Road (I) 8800 North Central Expressway Ste. 128-3 North Park East (G)

Houston 1300-3000 South Post Oak Road (G,B)

Washington

Seattle (Bellevue) 2223-112th Avenue N.E., Bellevue (B,G)

UNITED STATES
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14th Floor, 1675 Broadway
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PROPERTY INVESTMENT OFFICES CANADA

Vancouver Ste. 2643 Three Bentall Centre

Calgary 1200 I.B.M. Building

Edmonton 1424-10025 Jasper Avenue

Winnipeg 812 Royal Bank Building

Toronto
Suite 1410 Richmond Adelaide Centre

Montreal P.O. Box 413 Place Bonaventure UNITED STATES -

Mortgage Correspondents

The Company is represented by mortgage correspondents in its major operational regions in the United States.

Mason-McDuffie Co. 2850 Telegraph Avenue *Berkeley*, California

Wallace Moir Company 10th Floor, 9595 Wilshire Blvd. *Beverly Hills*, California

Spelman Mortgage & Investment Company 180 Cook Street, Ste. 209 Denver, Colorado

McElvain-Reynolds Co. 55 East Monroe Street *Chicago*, Illinois Salk, Ward, & Salk, Inc. 11 South LaSalle Street *Chicago*, Illinois

Hartger & Willard Mortgage Associates, Inc. 141 Ionia Avenue, N.W. *Grand Rapids*, Michigan

Northland Mortgage Company 6600 France Avenue South *Minneapolis*, Minnesota

Sheahan Investment Company 10324 Ladue Road *St. Louis*, Missouri

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Ward Cook, Inc. 520 S. W. Stark Street *Portland*, Oregon Latimer & Buck, Inc. 1700 Market Street *Philadelphia*, Pennsylvania

Southern Trust & Mortgage Company 2355 Stemmons Freeway *Dallas*, Texas

The Robert C. Wilson Company 505 River Oaks Bank and Trust Bldg. Houston, Texas

Walker & Dunlop, Inc. 1156-15th Street N.W. Washington, D.C.

The H. S. Pickrell Company 3404 North Central Avenue P.O. Box 7400 *Phoenix*, Arizona

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Edmonton 10185-102nd Street Winnipeg 221 Portage Avenue

Toronto 15 King Street West Montreal
777 Dorchester Boulevard West
One Place Ville-Marie



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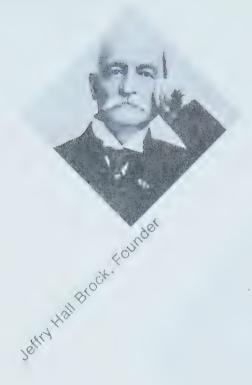
*Member of the Executive Committee

The Cover:

The components of Great-West Life: the woodcut eye as a reminder of the past; a color photograph for the present; and a computer rendering representing the company's future, vitally linked to developing technologies. The eye itself symbolizes people: the key element in all the company's endeavors, past, present and future.

^{**}Member of the Audit Comittee





66 Back in the 1890's, Jeffry Hall Brock – who started Great-West Life — travelled around much of the prairie in a buckboard with horse and cutter in the winter and he sold insurance and he sold stock in the company. He even got as far as the west coast.

And he had the power to enthuse the people who worked with him. 99 G.C. Elliott.

That enthusiasm and dedication carried over into every phase of the company's operations. Then, just 89 years ago, Great-West Life was a handful of people and its clients numbered just 834.

In 1980, five thousand Great-West Life people served more than three million policyholders across North America.

That period, not much more than one lifetime, saw more change than any comparable span of history. Its impact on the people and institutions we know today cannot be overestimated. Traditions of hundreds of years were swept away; new ones have taken root in their place.

At Great-West Life, we recognize the impact of the past, but we're certainly not living in it! We're here today, carrying on the traditions established by Jeffry Hall Brock, serving 1981 consumer needs, and remaining ever watchful of the tomorrows on the horizon.

We'd like to introduce you to some of the people who've made this company 'who' it is today. They'll tell you the whole story about us, because they're from every walk of Great-West Life.

They're people from our past, the present, and — just possibly — your future.



Winnipeg, Manitoba was the gateway to the west in the 1890's. It was at the heart of prairie expansion where waves of pioneer settlers came to look for a new way of life.

The coming of the railway transformed the city from an isolated trading post into a hub of prosperity and the city flourished . . . briefly.

In the 1880's, Winnipeg found itself in a major recession. It was then that local businessman Jeffry Hall Brock saw the need for a pool of capital to develop the west. He established The Great-West Life Assurance Company to create that pool and, at the same time, provide families with financial security through life insurance. Great-West Life was officially incorporated by an act of parliament in 1891.

The company's first year of business was very successful: 834 policies were sold, providing over \$2 million of insurance protection. Expenses for the same year tallied an impressive \$178.

By the turn of the century, Great-West Life was represented in every province and was the fastest growing life insurance company in the country. In 1906, Great-West opened its first U.S. office, in Fargo, North Dakota.

The years that followed were largely successful, but crises gave the company its best opportunity to show character. Its commitment to policyholders became increasingly evident when, with the outbreak of World War I, Great-West Life insured soldiers at less than cost. And, it invested millions of dollars in victory bonds.

Great-West grew in spite of the challenges to its stability, including a deadly influenza epidemic after the war which resulted in over a million dollars in claims.

The company was a leader in the fledgling group insurance market in 1922. The venture did not show great promise at first, particularly when the Great Depression struck in 1929. Once again proving a commitment to its customers, Great-West Life cancelled debts rather than foreclose on farm mortgages. Throughout the depression, not one staff member was laid off, despite a major drop in business.

Great-West Life issued its millionth policy in 1950 to H.W. Manning, the company's Vice-President and Managing Director. In 1959, the company moved into its present head office building on Osborne St., and in the same year entered the age of advanced technology with the purchase of the first major computer in western Canada.

In 1969, The Investors Group purchased a controlling interest in Great-West Life. Majority ownership of The Investors Group is held by Power Corporation of Canada.

During the next few years, Great-West Life experienced an explosion of business. Insurance coverage tripled and premium income doubled.

A U.S. Marketing Headquarters was opened in Denver, Colorado in 1973 and United States Operations were established in downtown Denver last year, in the new twin towers of Great-West Plaza.

And, in the fall of 1979, the company announced plans for a new corporate headquarters complex in Winnipeg, scheduled for completion in 1983.

That's the past that earned us a top reputation and a ranking in the top 1% of 1,900 life insurance companies in North America.

The past holds a promise for the future that's worth celebrating. In fact, we are celebrating...



This year, Great-West Life marks the 75th anniversary of its operations in the United States.

The company crossed the international boundary into North Dakota in 1906, opening its first United States office in Fargo. George Walker was manager of the Fargo Agency, and his field force included three full-time agents.

In 1923, under manager M.N. Hatcher, the North Dakota Agency was selling more insurance per capita then the company's entire Canadian field force, and Hatcher challenged his Canadian colleagues to match that pace.

During the same year, the company reached a milestone — its first \$100 million of insurance in force in the U.S.

Earl M. Schwemm, CLU, was appointed branch manager in Chicago in 1936. Over the next 25 years, Schwemm put Great-West Life on the insurance map. His agency held the world record for the most months with new business topping the \$1 million mark: 210 consecutive months.

When Schwemm retired from agency management in 1961, Great-West Life's Chicago Branch Office was one of the largest in the world.

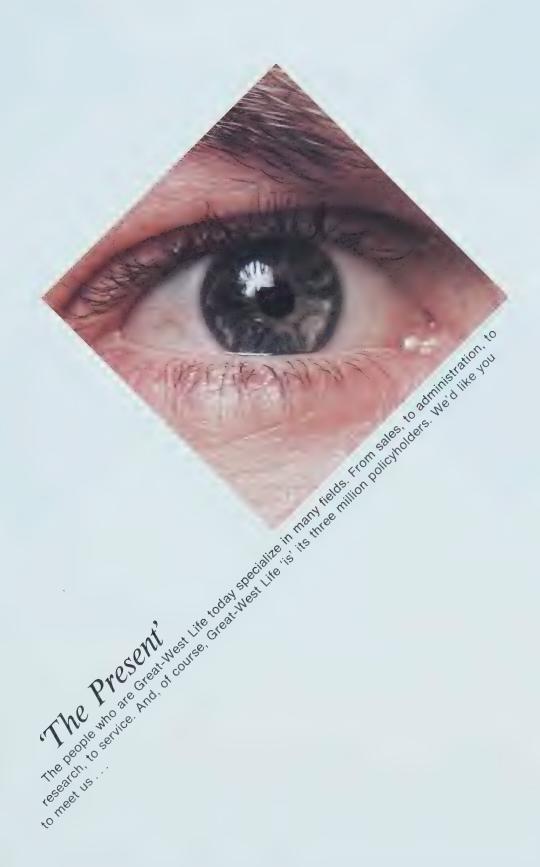
The company took a major step forward in 1979, formally separating Canadian and United States operations into two distinct regions.

Today, Great-West Life is licensed in 47 states and the District of Columbia. A network of branch, group and benefit payment offices has been strategically located to serve the company's policyholders.

Under the direction of Senior Vice-President, Orest Dackow, United States operations have strengthened Great-West Life's position in that country. Individual and Group Operations divisions under Alan Carmichael and Alan MacLennan, FSA, respectively, concentrate their full efforts on the U.S. marketplace, supporting marketing operations headquartered in Denver, Colorado.

And, of course, in Fargo, where Great-West first established itself, the tradition carries on. Manager Oscar Lindgren and two dozen associates are marking a strong 75th year for that branch.

From a small first office there, the company has expanded to offer its services virtually across the nation.





661 believe a debt should never last longer than the person who created it. During his lifetime a businessman is judged by the amount of credit he can command and, at death, by how quickly his debts are paid off. Life insurance is the natural method to meet both those needs.

Great-West Life happens to have the best products to date for that particular market, my specialty: the business insurance market.

I usually find that a thriving business advances like a victorious army — too quickly, without enough capital. So a good and prosperous business needs access to a credit line, and that should be underpinned, again with insurance.

In the future, the life insurance industry will face incredible changes. The competition is going to be fierce, and business will go to the companies and the agents who are abreast of those changes, and who manage change better than their competition can.

I try to keep abreast of the trends in business, the stock markets, money markets, and the world of banking. I'm on the Board of Directors of the Ontario Development Corporation, and a mortgage and loan association, so I have a feel for what's going on in the marketplace. It's vital to keep up with the times.

There's a future of change ahead. A life insurance agent, however, can inject creativity into solving problems, in finding creative solutions to a client's problem.

That's what keeps me excited about the life insurance business."

dvanced sales department capable of giving the field force the type of support needed to offset even the most difficult competition. Although I have always worked closely with my clients' attorneys and accountants, few of them are specialists in what can be accomplished through business insurance or estate planning programs. It takes a highly trained and qualified insurance expert to coordinate all the legal and financial plans to maximize the benefits that clients can enjoy through planning. In that respect, I rely heavily on Fred Bender, our director of individual sales development, and his staff. The advanced sales department serves as a sounding board, and as we discuss their ideas and mine, the result is a very personalized approach that will encompass the latest IRS rules and regulations.

My professional code of ethics demands that I determine that there is a genuine need for the amount and type of coverage that is being discussed. There is simply no substitute for sincerity and integrity and in that respect, I believe my clients all understand that whatever recommendations I present are in their best interests. Knowing that my recommendations are backed up by experts who are constantly 'keeping current' gives me confidence as well as a sense of pride in the work I do. ***



66 Great-West doesn't just sell its competitive group insurance rates. It offers top service and an ability to solve problems. As far as I'm concerned, the responsiveness of our people in underwriting makes us stand out. They come through for us in the field. They meet tight deadlines. They help us present our proposals in the most effective ways.

When we put together a case with underwriting, both areas bring a certain perspective and expertise to it. And, if we disagree on what's the best approach, we talk it over and find the most appropriate solution. That's to the client's benefit. And, it goes beyond offering product 'x' vs. product 'y'. It gets down into the details of the agreement.

When I take those details back to the consultant or the client, I send a letter out a day or two in advance of my personal call. That gives them a chance to prepare any questions they may have about the numbers or terms of our proposal. I don't think bombarding people with strings of numbers without giving them a chance to prepare accomplishes a great deal. My approach helps people feel a lot more confident about a decision to go with Great-West. They're more comfortable with us.

But, it all boils down to an attitude on our part. For example, our people in underwriting ask the sort of questions that make me believe that they're really there to interpret the facts, not just blindly apply a blanket rule. That's to everyone's benefit: the client, the agent and the company. It's something as 'simple' as flexibility of thought. I can't speak highly enough of our underwriting area. They do a professional job. That's what we all try to do. ⁹⁹

⁶⁶ A good reputation, plus quality people is what makes Great-West Life outstanding in the life insurance industry.

It's the people who make it work. In brokerage, we have people who are highly professional and dedicated to the business. We are getting large volumes of life insurance business because of the dedication and knowledge of the people.

What sells Great-West Life is the people, backed up by a full range of products. But, we must be in the forefront of product changes, as well as product merchandising. And we must continue to work toward improving our skills as financial managers, and not just better vendors of life insurance.

As a company, we must have superior corporate planning to make available the people, the services, and the timely products needed to be preeminent in our fast-changing industry. We've got a record of responding to change and we must continue to do so if we are to be pre-eminent. **





66 Acting and reacting will be the keys in the 80's. Above all, management plans have to be adaptable to rapidly changing conditions, because we're living in volatile times

Great-West Life's regionalization into separate United States and Canadian operations is an indication of the company's willingness to respond to change, and it will lead the company to pre-eminence in the marketplace.

Life insurance companies today are bombarding agents and consumers with information about their products, and so there is confusion about who really has the best. The test of a life company is what it does that is *not* required by government statute. When put to that test, Great-West Life faces up very well. For example, we pay interest on death claims from the date of death, regardless of when we receive the claim.

In the 80's and beyond, life insurance people will need to build their knowledge, and they'll have to demonstrate to consumers that they know about sophisticated products and problems. But an agent just doesn't have enough hours in a day to become proficient in all areas, so it's vital for a company to provide support systems and technical expertise for its agents.

In the future this will take the form of minicomputers and word processors, to help agents maximize their efficiency. Because the best spent time is time with clients. **?

⁶⁶ Life insurance agents in the 80's will have to be more adaptable to a changing marketplace, and to the challenges presented by sophisticated consumers. The agent will have to remain flexible and become more knowledgeable, but above all, have the highest integrity.

In our own branch office, we are fortunate to have as an agent the company's top producer for the past two years. His enthusiasm and productivity had a very positive influence on other members of the branch, and it was this, more than anything else, that helped us surpass our goals for the year.

Great-West Life has the broadest financial franchise of any life insurance company operating in Canada today — we have life insurance, health insurance, disability income and annuities, and this is backed up with top actuarial, underwriting, and support services in all areas of the company.

It is the people who staff these areas that have made Great-West Life the success that it is today. 99



⁶⁶ I joined Great-West Life right out of college in 1977. The one factor that stood out from the beginning, and which continues to play an important role in my career, is the level of support and assistance provided by the company for its employees. I receive complete support on both a local level, from my manager, Jay Wright, as well as from home office and the Denver headquarters.

Competition definitely exists in today's marketplace. Each day presents another challenge. I have been able to meet these challenges primarily because the lines of communication are open at all levels within Great-West Life. This communication is reflective of the high level of co-operation which links the company together.

I am sure that there are few companies that provide such a high degree of support, coupled with an outstanding product line. 99

66 No award Great-West Life confers has more honor and prestige associated with it than the Jack Hopwood Memorial Award. When I learned I was the 1980 winner, I was just thrilled. It was a fine honor and I hoped I was deserving of it.

I was heavily committed to the projects and outside interests I was involved in before I received the award, and I still am. If you were to ask me to estimate the amount of time I put into my work and outside interests, I would guess around 60 per cent of my time goes to my work, and 40 per cent to my outside activites. That doesn't leave much time for rest and relaxation, does it?

That's what my wife keeps telling me.

I entered the life insurance industry 17 years ago when I joined Great-West Life, and I've had nothing but a fine relationship with the company in all that time

I chose the insurance business because I felt it would provide good opportunities for someone who didn't have the capital to go into business — but who had the ambition. And I knew that in life insurance, I would have the chance to go as far as I wanted. **

The Hopwood Memorial Award is presented annually to a member of Great-West's field force who combines professional achievement with community service. Mike was elected Trustee of the School Board of Upper Arlington, Ohio, in 1979; he is a member of the boards of directors of several companies and organizations; a member of the National and Ohio Associations of Life Underwriters; former Vice-President, Advanced Education Chairman of the Columbus Chapter, American Society of Chartered Life Underwriters; and a corporate fund raiser for the United Appeals Drive.



66 Life insurance agents require a variety of skills, and the most important of these is people skills; the ability to relate to people, and to empathize with their problems.

Product and technical knowledge are important, too. I'm always trying to expand my knowledge in both these areas. I do a lot of business in the deferred annuity and disability income markets, and the technical background is vital to understanding tax implications.

Great-West Life has a strict code of ethics. That's why we're such a large company with an excellent reputation for claims and service. The company promotes professional development through the training programs it provides for its agents. And, we're trained to international standards in both Canada and the United States.

As agents, we promote professionalism through continuing education, and by providing the best possible service we can. The staff at head office are very supportive, and that's a great help.

I find that it's very important for an agent to have a positive attitude, because that attitude transfers to our clients. 99

66 The role of field managers is to lead their offices in a direction consistent with company objectives as to growth and earnings. That simple idea is increasingly difficult to realize because of inflationary impact on our costs and strong competitive pressures. The only answer is to further improve our productivity.

Increased mechanization is essential but so is the personal element. Group managers must focus on internal structure: selecting the right people and deploying them most effectively. In personnel selection we're looking for the very best kinds of people to represent Great-West Life in the marketplace. We recruit and train group representatives in an extensive program.

But field offices don't suceed by themselves. We're backed by operation both at head office and in the Toronto Benefit Payments Office under Marlene Marchand.

What we're selling is a facility whereby claims will be paid and pension fund investment performance optimized — in short, that the promises will be kept. We're very dependent on the ability of the support departments to come through for us. We're on the front line and we rely on them for the top performance they've always delivered. 99



66 When I'm looking for people to bring into the life insurance business, I look for individuals who are socially mobile and intellectually curious. They've got to be competitive, interested in business, and excited about what they're doing.

My philosophy as branch manager is to attract competent associates who can bridge the gap between their capacity and their production, and between knowing what's right, and actually doing it.

One thing I promote strongly is being active within the professional organizations which support the life insurance industry. I'm extremely visible in such organizations so that people know that we run a professional shop here; one that has high achievers in it. Most of the people I recruited to the Denver Agency came as a result of my involvement in professional associations. They become interested and decide to investigate the opportunities at Great-West Life.

The company's X-RiderTM is a good recruiting tool because very few major companies have anything like it. The X-RiderTM is unique in its versatility: you can accomplish so much with it.

Great-West Life offers us in the agency offices superior products and pricing, and great support people. It's the people side of our affairs that will win the game for us in the end. 99

66 I got into group insurance through a total misconception of what I was getting into. Sales related work had never appealed to me. But, here I am, six years later.

The fact is, I enjoy my job. I think it's challenging. I get to meet a lot of different people in a variety of business situations that give me a pretty broad outlook on the state of business today.

I like the flexibility of being able to pretty much control my own destiny, but at the same time have the support of an organization that I can lean on if I need to.

I think Great-West is a dynamic, growing company. It's such a young-thinking company, and I think there's a lot of impetus for growth in the States. There's going to be a lot of opportunity here for younger people, as opposed to some companies, where you might have to sit for years waiting for people to retire.

We offer our clients one of the best claims services on the market today. We can offer innovative ideas; a lot of plan design flexibility. We let an employer really tailor-make a plan to fit that company's particular needs. Those really are strengths in the marketplace.

This is a pretty darn good job. I'd have a tough time sitting behind a desk. In fact, the people in the office would have a tough time living with me if I sat behind a desk too often. I hate to push paper, but I love to be out with people! 99





66 My feelings, and I think they would be the same for any manager, are that 'good people are the key to success'. You can have all the products available, and all the ideas, but without good people the products and ideas are not going to be communicated to the marketplace.

Our basic strength is our personnel — they're conscientious and appreciate that we are a service industry. They respond to our clients and prospects keeping in mind that 'good service means good results'.

I feel we are attracting good people because of the progessive nature of Great-West Life and the job. There are three unique aspects to being a group sales representative. It's an interesting occupation in that you're not tied to a desk every day. Secondly, you have the opportunity to deal with a broad spectrum of people: from the smaller employer to the larger international corporation. And, you deal with both the marketing and financial aspects of business, which offers an attractive range of challenges on a daily basis.

Great-West Life has the life, health and pension product array to compete successfully in the marketplace. This summer we are introducing a computer calculated claims facility which will alleviate the only missing link we have had in the marketplace.

Our future in the U.S. is unlimited. Our market share and sales are growing annually.

This increase in sales and development of new markets provides an excellent future. The acquisition of these 'good people' is the key to our continued growth. 99

We introduced a new product ratebook in the United States in January, 1980. It was designed to make use of the technical opportunities that were presented by recent legislation in many of the states; legislation that allowed us to design a portfolio of products more competitive than ever before. And, it brought our series of products more closely in line with what the marketplace needed and the competitive environment required.

As a result, our number of products was reduced. Now that in itself doesn't make a better ratebook, but it does allow the company to support fewer plans, therefore lowering expense and making a better value for the client. We also made our portfolio more flexible. We introduced two or three new optional benefit forms such as the guaranteed insurability rider for use in business buy-sell arrangements; and the X-riderTM so we can provide optimum flexibility for tailoring products in response to clients' very specific and individual needs.

I don't think there is a weakness in this ratebook. I would consider a weakness a mistake, and I can't find a mistake in this ratebook. A product portfolio attempts to balance the very important interests of the client, the distribution system — including agents and brokers — and the company. It balances all those efforts. As far as I can tell, ours balances as well as, if not better than, others in the marketplace. ??



66 A life underwriter is a professional. Sometimes the public sees agents only as sales people, in a clichéd sense. We've provided our underwriters with the tools to be counsellors and advisors to the consumer.

What we're trying to do is create a 'win-win' situation. That can only happen when customers get the product mix they need, in the right amounts, *and* understand what that portfolio is doing to refine their financial planning programs.

Great-West Life has a top reputation in business and tax planning applications of insurance. We're definitely among the best. And, we will be devoting more time to the estate planning area.

People are beginning to realize that you don't have to be tremendously wealthy to find yourself in an uncomfortable tax position. Alternatively owning a home and having some savings doesn't leave the family in the position they were meant to be in. We must design the products to enable individuals and businesses to guarantee the financial futures of families and the continuation of business operations.

Now, in all jurisdictions except Quebec, there are no federal or provincial taxes on estates. However, the tax on capital gains is taking an increasingly larger bite out of estates particularly after the spouse's death.

Great-West Life recognizes that as the individual's financial program becomes more complex the consumer has to demand more of us. People want good value for their money. And, more than ever we've got to be prepared to prove we deliver that.

For us, that means preparing for change — radical change — and being willing to respond to new demands. It's a mandate Great-West Life will live up to. 39

With over 12 million public employees in the U.S., there will ultimately be billions of dollars invested in deferred compensation plans. Great-West Life has nearly \$3 billion in retirement plan assets already, much of which is derived from voluntary retirement savings arrangements such as Tax Sheltered Annuities and IRA/SEP. Deferred compensation is therefore a natural extension of our involvement in these other areas, all of which have been very successful.

A deferred compensation program for public employees is a very attractive benefit. It affords each employee the opportunity to save for retirement on a tax deferred basis. And, since a deferred compensation program can be provided at little or no cost to the public employer, it becomes a valuable fringe benefit which most public employers are eager to offer to their employees and independent contractors.

Investment of deferred compensation assets is a very competitive field. We were aware of that fact when we decided to expand our market presence after the Tax Reform Act was passed in 1978.

In addition to our already successful fixed annuity contract, we're now considering the future availability of other investments. We're committed to the deferred compensation market, and look forward to even further growth and development in the eighties. ⁹⁹



66 The growth of our advanced sales department is really proof that the public has an increasing need for expert counsel on retirement and estate planning.

The whole area of financial planning is burgeoning. The life insurance industry has traditionally played a small part in it, but that's changing dramatically. The good, professional underwriter is becoming an expert in estate and income taxes, and has a lot to offer the individual.

Good companies that can think through the economies of bringing tax free dollars to their clients will thrive in the years ahead. That means keeping on top of legal changes, and Great-West Life is very conscious of its responsibility to its clients to do just that.

The area of retirement planning, as big as it has been, is going to get bigger. Some people will retire at 70, some at 55; so, there's an increasing need for flexibility.

Still, the basic viability of the insurance product is unique, given our current nature of taxation. Where, for a deposit of 1/12 of the sum, can you create a fund of monies that will flow in tax-free to your family? There's nothing else like it! Insurance solves the economic problem of life: maintenance of income. All the money people invest in drafting a will isn't worth a cent if there *is* no estate.

The increasing complexity of the marketplace has filtered people with less expertise out of the business. And, it's made the best get better. It's our goal simply to be the best and to offer that top level of service to our clients. **?

66 I joined Great-West Life just over six years ago in its Denver Benefit Payments Office. I find the work very interesting, and I'm glad that I had the opportunity to get into this field. It can be frustrating at times, but there's always something new with work in medical and dental claims.

Before my supervisory appointment, I handled one of the larger, more prestigious accounts in the office: a railway company called Rio Grande Industries. Great-West Life provides administrative services for this \$1 million account.

When claims arrive in the benefit payments office, the claims processors have to confirm that each is eligible and determine the amount to be paid according to the terms of the particular contract. We answer telephone enquiries, and speak with insured individuals, and plan administrators.

In the past, we produced checks manually, but now they're prepared by computer. The computerized checks are neater and easier to read, and can be produced more quickly.

Claims processors see their claims through from start to finish. That approach gives them a better understanding of the process, and of the accounts that they've been assigned to handle.

The advantage from the clients' viewpoint is that they can get the information they need from one person, instead of having to speak with three or four.

This company is noted for its speedy and personalized client service. And that's what really sells Great-West Life. ??



66 The most important thing about my job is that I provide service to group clients in both French and English. I'm always available to help them.

My first contact with a client comes after the group rep has placed a benefits plan. I give the client the background information needed to understand the insurance program and to explain it to the employees. I also train the person or people who will be administering the plan. It's very important to establish the procedures with them correctly from the start . . . and follow up with them at a later stage to make sure everything is going smoothly.

There are three service representatives in this office and each of us can speak both French and English, so we can provide a totally bilingual service to all our clients.

We work on a diary system, so that we can make personal calls on all our clients on a regular basis. The public relations aspect of these visits is important. They give us the chance to meet face to face with the people we talk to over the phone, and to discuss any problems they may have.

Great-West Life encourages its employees to learn more about the industry so we become more knowledgeable about our work in general. That's part of the reason I'm still here. The company takes an interest. **

66 Continuing to provide fast and efficient service to our clients is a priority for us at Great-West Life. New, more complex products and legal reporting requirements can mean a great deal of ongoing change, and place a great deal of pressure on existing service systems.

The regionalization of Great-West Life's operations, now underway, has provided us with an ideal opportunity to review our total service system, both at home office and in the field offices.

We've established a task force to examine the company's service from a customer's perspective — from the request for a product or service until it's delivered. We'll be exploring areas related to training, education, organization, standards, and technological support.

Our task force has separate United States and Canadian committees focusing on the special needs of both regions. There is, however, a close liaison between the two.

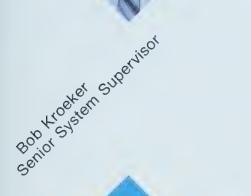
Input from our field people is vital to the project, because it is the managers, staff and agents in the field offices who have the closest contact with clients.

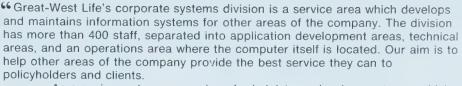
The goal of the task force is to provide an improved level of service to all our customers, including agents and brokers, as well as policyholders.

As we identify opportunities for improvement, they'll be passed on to the task force for implementation and when practical, we'll take full advantage of current technology.

I think we'll see positive results for everyone by the end of 1981. "







As a senior systems supervisor, I administer a development area which maintains computer systems for the investment division. These systems handle a number of transactions: purchases of stocks and bonds, mortgage issues and the acquisition and sale of real estate, for example.

Our unit has both analysts and programmers. Analysts gather requirements from the computer users, and design computer systems to meet those needs. Programmers take the blueprints from the analysts and translate them into language that the computer can understand. This process involves thorough testing of the system before it is made operational.

After a computer system is implemented, it must be monitored and modified on an ongoing basis to meet changing business requirements.

Computer technology is growing at a revolutionary rate and we have to continually strive to keep up; because Great-West Life's computer area is so large, we must specialize.

Staff in corporate systems have a choice of various career paths: they can pursue a combination of technical or administrative interests. Transferring to the company's computer area was the best move I ever made. The opportunities that I perceived to be here turned out to be real.⁵⁵

66 Today our translation complement totals 28 translators and support staff, including 15 in Montreal. We translated over 5.4 million words in 1980, mostly in English and French, but also from numerous other languages. Our major users are the group operations area, followed by the individual life and health division.

Our services are certainly efficient, although not yet as mechanized as we would like them to be. For the moment, we have modernized the typing process with word processing equipment linking Winnipeg and Montreal for speedy communication and retrieval. The translation process is still the same as it was 10 or 20 years ago but we intend to remedy that situation with computer assisted stations in the very near future.

My main role, aside from managing the department, is to ensure that Great-West Life complies with the Quebec language laws and to guide the company in all its related decisions. I think Great-West Life has done a commendable job in this area: few corporations with western roots were as well prepared for Bill 101 as we were and fewer yet have reacted as positively. I am proud indeed to be associated with this company. 99





66 My colleagues and I see many types of claims — mainly those which are difficult or controversial, for example deciding if a condition was pre-existing, or if accident was involved in a death. The company's policy is quite straight forward: if the claim is legitimate, we want it paid as soon as possible. If it's not genuine or within the coverage offered, it wouldn't be fair to other policyholders to pay it.

Life applications, as expected, take up a fair bit of our working day, with EKG's and x-rays to interpret and a great number of laboratory tests and medical conditions to assess. We look at applications from the points of view of the agent, whose livelihood depends on sales; the company, and our need to be fair to existing policyholders; and mainly, the applicant who needs the protection. We do everything we can to issue a policy. I think the evidence shows that, with over 94% of policies issued at standard rates and less than 2% declined as uninsurable.

Life insurers now consider people who have already had a heart attack, a stroke or some evidence of coronary artery disease, while it is not uncommon to assess risk for people who have had heart valve replacements or open heart surgery for vascular disease.

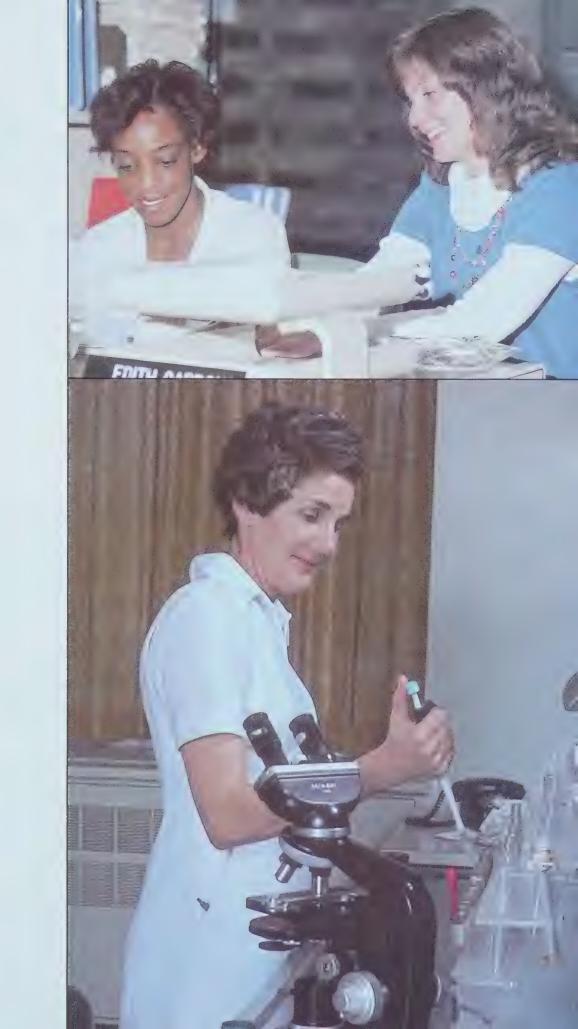
What we are basically trying to to is offer good, liberal, but safe underwriting. We want to be fair, and at the same time, not to be stupid. More changes will undoubtedly come and we will keep on trying to cover more and more people, based on a mature sense of judgement."

66 When I came to Great-West Life, I had heard good reports about the company. It was known as a well-established, aggressive insurance company in the business community with an excellent reputation for service and flexibility in its product lines.

Because we are a substantial and responsible organization with an excellent growth record, we have great appeal to both high school and university graduates, and people experienced in the insurance industry. In fact, we've hired people from across the continent. We offer tremendous opportunity for individuals to prove themselves and move up quickly. When Great-West Life opened administrative offices in Denver, there were 65 or 70 people in marketing. That was just seven years ago. In 1981, we'll be up over 650 people in our U.S. Headquarters. That's a fabulous growth record.

When applicants come in to see us, they are impressed by the variety of careers we offer. And, Great-West Life is unique in its development of internal training courses. It's very responsive to new demands that come up. Of course, we assist the individual who wants to continue education outside the company, as well. We're an international corporation and in the top 1% of our field, but, we're not so huge that people 'get lost'.

For anyone who is willing to work and study, this really is a land of opportunity. ??





66 Our many Canadian pension clients look to us for timely and accurate advice on their assets. The extremely volatile financial markets and continuing high levels of inflation in 1980 caused a great deal of confusion and concern, and in response to these conditions, we developed two new investment vehicles for our clients.

The Money Market Fund, which is invested only in the highest quality commercial and bank paper, provides a medium through which pension funds can hold short-term money pending a more permanent investment. It can also be used as a permanent investment vehicle for a portion of their assets. At the end of 1980, The Money Market Fund had assets of over \$40 million.

Of even greater significance was our development, in June, of a Real Estate Fund for registered pension plans. By year-end, \$30 million had been invested in the Fund by 50 different pension funds. We have so far invested about \$23 million of that amount in 28 properties across Canada.

We have been successful in fulfilling one of the very important elements of this Fund's investment policy, that of writing leases which have annual rental payments linked to the change in the Consumer Price Index. 99





66 During the past two years, we've adopted significant changes in our investment policies and procedures to match investments against new incoming premium dollars.

Our action was influenced by several factors: record high interest rates, extremely volatile markets for fixed income securities, and the growing propensity for policyholders to borrow against the cash value in their policies, or to surrender their policies.

We still make occasional commitments at a fixed interest rate on mortgage loans which will disburse in 12 to 18 months, but our policy now generally involves loan commitments which will pay out within two to three months.

As an alternative, we are entering into loan commitments where the "permanent" interest rate will not be fixed until most of the funds are disbursed. This enables us to determine our yield rate at about the same time as the credited interest rate is being set on premiums flowing into the company.

Two examples of this approach are the mortgage loans (totalling \$26 million) which Great-West Life provided in 1980 on two shopping centres in Toronto: Towne and Countrye Square, and Thorncliffe Market Place.

In addition, we have substantially shortened the term on new loan contracts, with most now maturing within about five years. Typical of this trend is the largest U.S. mortgage loan written to date, a $5\frac{1}{2}$ year, \$18.5 million loan for the purchase of The Main Building, an office highrise in downtown Houston.

Another method we use to achieve the same result is to stipulate that the interest rate on new loan contracts be reviewed within five years, even though the principal may be amortized over 20 or 30 years. We have also negotiated a significant number of revenue participation loans.

We have continued to focus our real estate equity thrust on full ownership or joint venture in specific geographic areas where we believe economic growth will be above average.

Our purchase of Cambridge Leasehold Ltd. was a major acquisition — our largest ever. It gave us a strong existing portfolio (24 shopping centers in place with six more under construction) and a strong development oriented management team.

In the United States we have identified five new potential real estate investment markets: northern California (San Francisco), Seattle/Portland, Minneapolis-St. Paul, Phoenix, and the Atlanta area.

We anticipate current inflation rates will persist indefinitely into the future and, on balance, are planning to maintain a relatively high overall equity mix of assets."

Great-West Life has a policy of investing policyholders' funds, whenever possible, in or near the geographic area from which they originate.



66 Business has been very profitable for the smaller carriers, like us. As the major airlines grew and acquired larger aircraft, they had to start dropping the smaller routes. We third level operators picked them up. I think that will continue for at least another two years, then the market is going to crest.

I'm in a very capital intensive business. It needs very high amounts of working capital, and I secure that in part with insurance assigned to the bank. That's the experience that many, many other carriers in the commuter role probably face. This has all come about in the past five or six years. Until then, the third level operators like ourselves used aircraft that didn't require the capital needed today: the pressurized cabins, for example, that passengers now demand.

I don't think we could be in business without the group insurance plans. We need it to attract the people we require. For key management people, you have to offer the benefits to compete in the business. It's very difficult to find top people because they're so specialized and, in many instances, they have to be trained in-house. They're very hard to find and very difficult to replace.

I got my very first insurance policy when I was 12 years old. It was from Great-West Life, and I've gotten them there ever since. I've had a very satisfactory relationship with Great-West.

Like everybody, I suppose, we have the usual family plan, too. I think if you have children, it's very wise to have some sort of financial plan for protection during their formative years. 99

Bill Wehrle is co-owner of Perimeter Aviation. He and his partner started the company in 1960 with a flight training department, later adding a new avionics shop, general maintenance facilities, a charter service, and in 1976, taking on scheduled routes. When it started, Perimeter had one leased plane. It now has 16 planes, and with 28 pilots, as well as six instructors in its advanced flight training school is the largest such school in the country.







Gerry Henchel Implements Ltd.

66 We have set out to provide really four types of income support services to our teachers: pension, life insurance, long term disability insurance, and health benefits, including dental benefits.

The major thrusts we've taken in insurance were in response to the demands of our members. I believe they remain very strongly committed to adequate income security. This is shown by the fact that where plans are initially voluntary, we've had little difficulty getting a majority of the employees to subscribe. There's other evidence of that: while joining the plan is now a condition of employment for new teachers, there's little or no antipathy toward the plan.

I would say, in this decade, that the teachers would be either consciously looking for coverage, or they would very quickly be aware if it wasn't offered.

We've got documents that compare the employee benefits with other teacher organizations. Basically, our pension compares very favorably both in terms of contributions, and adequateness of coverage. I think our disability plans are probably as good or better than most across the country. The life insurance plan, to my view, is second to none across Canada, probably in North America.

There is a great deal of assistance and information available from Great-West to help people select the right coverage. We've prepared some very comprehensive communication services; and, in the initial stages, members of Great-West were involved in the promotion.

When we were looking for group life insurance, the specifications were sent out to all the major underwriters in North America,. They submitted their bids which were analyzed and shortlisted. Great-West Life provided the best combination of service and retention costs. 99

George Strang is the coordinator of economic welfare for The Manitoba Teachers' Society, where he has worked for the past 16 years. He coordinates activities in the areas of collective bargaining, employee benefits, and teacher relations with employers.

66 I've been in the farm implements business full-time since 1966, and part-time before that. I come from a farm background. We moved here in 1976 from Saskatoon, and we started up in business. I started basically from scratch.

When I arrived here, I went out and started looking for insurance. I had coverage in my business in Saskatoon, with another company. When I came here, that agent recommended someone from the same company, and he came out to see me. I also phoned Great-West Life, but I went with another company for the first year.

I switched to Great-West the next year. I get a lot more coverage from you people for less dollars. Each one has different points and different products. I learned a lot about insurance by doing a little shopping around.

Usually one of the first questions a new employee asks is "Do you have group insurance, and what do you have?" Everyone wants as much as they can get, especially those who come from the big companies, where they have dental and everything. The main things they're looking for, though, are short and long-term disability, and life insurance.

I think the insurance is necessary, definitely. I couldn't afford to pay out if one of my employees got hurt; I couldn't go without the protection.

I do review my insurance regularly, because as your staff grows and the salaries change, you need changes in coverage.

We've only had two claims on the insurance. One was a lengthy disability. The employee had joined us from another company where he only had three years to go to early retirement. He was lucky we had disability coverage for him. The service was really good, and in both cases the employees were satisfied with it.?

Gerry Henchel is the owner of Gerry Henchel Implements Ltd., a farm implements dealership. He has been a Great-West Life client for three years. He has group life insurance, short and long-term disability, and accidental death and dismemberment coverage on more than a dozen employees.



66 My business is doing well. I'm very happy to report that in this day. We have had our problems. We've been gassed out. At one time, the furnaces were running on stale air and giving off carbon dioxide. All our plants went to foliage, not to bloom. We lost the entire 33,000 square feet. That set us back three years. We've been frozen out. When it's 30 degrees below and the gas goes off, it only takes an hour to freeze the plants.

I believe that insurance becomes even more important in today's society, especially for the newly married people. They should take it out, and the sooner the better, because it's cheaper that way. I took out my first policy when I was 16 years old. I only wish I'd taken more for my portfolio at an earlier age.

Anybody I've met from Great-West Life has been a credit to the company. We, my wife and I, have friends who work for Great-West. In my opinion, they are very good ambassadors for the company.

I like Great-West Life. Why? It's a very well known company. I've had experience with others but I prefer Great-West, and, you could say I very much 'approve' of the way they keep their grounds!

Michael Paddon took over operation of Paddons Greenhouse from his father, who started the business 30 years ago. Paddon has been in the wholesale florist business for 28 years.

Gharitable giving through life insurance is being done all across North America—and thank heaven for that! The day of the volunteer is almost gone; most people are working. So, charitable life insurance is one of the best ways to raise funds, other than corporate giving or payroll deduction plans. It will save a lot of knocking on doors, and having to go back to the people so many times a year. It's nice to have 'fun' in fund raising, like the cyclo-thon we hold every year, but a door-to-door campaign is one of the hardest things to do. And I think that's where charitable life insurance will come in.

I bought my personal insurance in January of 1980. I wanted coverage for myself while I was working. I sat down with the agent from Great-West Life, and he gave me a run down on what we could do for an employee of the Kidney Foundation. We came up with a split dollar arrangement for my life insurance, and a similar one for disability.

I had known the agent before, and when I indicated that I would like insurance, he came to the office and we talked about it. He looked at the situation from all angles and came up with a particular policy that is beneficial for both the Kidney Foundation and me. The agent, absolutely, makes the difference.

I didn't have to shop around. Great-West Life did come to mind because of its reputation. I know about Great-West Life.

In the future, I'll be reviewing my insurance coverage. The higher my salary goes the more life insurance I intend to buy, because it's a good feeling to know that you're covering yourself."

Phyllis Mann was appointed executive director of The Kidney Foundation of Canada, Manitoba Branch in 1980. She is head administrator and co-ordinator of the Foundation's activities.





66 My area is responsible for looking at the types of work we do today, and searching for ways to do it more effectively in the years ahead. That means finding better means of serving our policyholders, and ways to make work more stimulating and rewarding for our employees. It means looking at 'the office of the future'.

What is 'the office of the future'? Well, there are as many different ideas about that as there are tomorrows, but basically I think the office of the future will contain most of the technology we're using today...only more of it.

More specifically, I'm thinking of improvements in the technology we are all quite familiar with today — the telephone, word processing machines, photocopiers, and computers.

Take the telephone, for example. Improvements in telephone technology can enable a caller to leave a short message, such as "can't make it to the meeting — John Smith" on the called party's line, so that a second call isn't necessary.

Or, if the line is busy, the telephone of the future will have the ability to continue monitoring the line until it is free, then to alert the caller to dial again.

One future technology Great-West Life has already made quite an investment in — half a million dollars worth — is word processing equipment. And judging from the response of employees using the equipment, it has been a good investment.

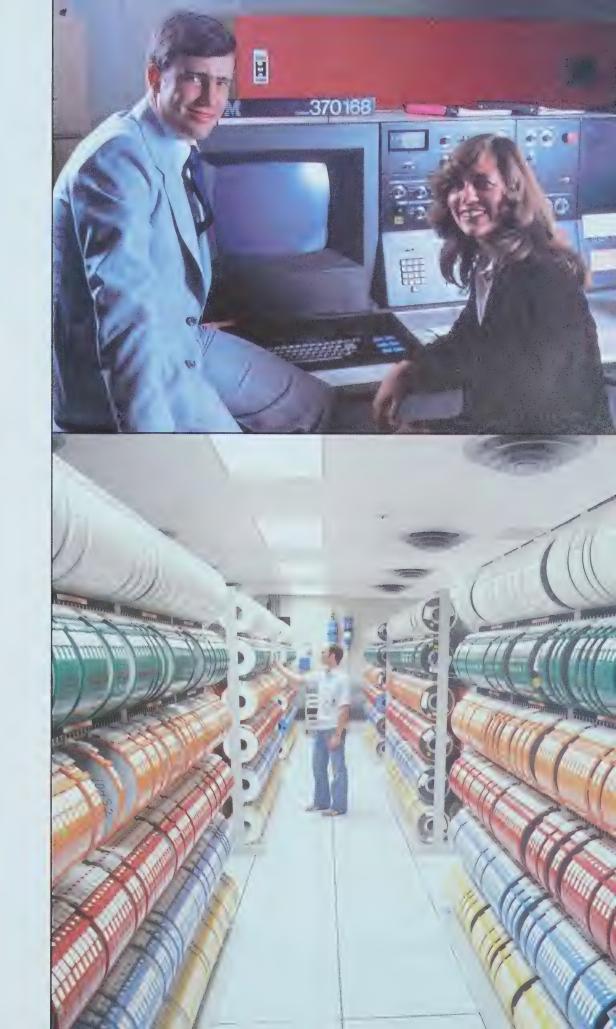
Word processors make a typist's job so much easier and more enjoyable by eliminating many tedious and repetitive tasks.

An added advantage of word processing equipment is that it greatly reduces the amount of office space required for storing department files. One floppy diskette, the size of a 45 RPM record, can store hundreds of pages of information.

Ultimately, I would expect the office of the future to integrate today's primary means of communication — voice, data, text and graphics — onto one communications network. This means linking word processing machines, copiers, computers and the telephone.

One day, sending a document, drawing or message from one office to another, whatever the distance, will be as easy as commanding a machine to send the information to 'point x'. At the touch of a button, the command would be carried out.

Once this type of network is established, communication will be faster and easier, and I hope, people will be more productive and more satisfied with their work. 99





66 We established the new Corporate Resources division last year simply to draw together the responsibilities for the various resources we use in producing and selling our products — people, machines, and space. We believe that successful companies in the 80's will be those which are best able to meld these three factors into an efficient and effective unit.

Machines are an extension of the human being and, over the years, they have become increasingly varied, complex, and numerous. Their applications in our industry have expanded immensely. But, they have produced social change of the most profound nature. Until very recently, nearly all machines acted as extensions of people in a physical sense. We were able to understand the growing place of machines in our lives, and adapt to the changes they brought about.

Now the machine has become an important extension in a mental sense, in the form of the computer. These new machines have been developed very recently, and have increased in complexity, capability, and numbers with astonishing speed. And, even though their working parts can be seen and touched, the pace of change they have already wrought has been difficult for many people to accept.

For most people, these new machines are still just fantasy, and how they operate can scarcely be imagined. For this reason, it has been difficult for some people to develop a sense of ease and confidence in dealing with the 'mental' machines.

What we are doing in Corporate Resources now is trying to develop a structure for a high quality working relationship between people and machines. We've found that there are three basic ingredients.

First and most importantly, we feel the needs and aspirations of the individual must be satisfied. This means that the computer-age environment has to be made as 'user-friendly' as possible.

Secondly, we have to learn how to use available technology to our best advantage. This means that people will have to gain a better understanding of what the new technology can and cannot do. We want to make sure the technology works for us; we don't become slaves to it.

Finally, the working relationship will have to be one which can adapt easily to change. The computer revolution has a long way to run yet, and only a dynamic and evolving interaction between people and technology will enable us to continue to meet the first two requirements.

People and machines need space to work in, and the design and use of this space has to be given careful attention. For example, some machines are much less particular about their surroundings than are humans, while other machines need special temperature, humidity, and air standards.

The design of our new Corporate Headquarters building, the center building, and renovations to the existing building take such factors into account. Design of work-space in field locations where terminals will be used extensively is also being given important people and machine considerations.

It's a challenging future ahead, and very exciting. The technology will provide us with the tools to work smarter and faster. 'All' we have to do is learn to use them to our best advantage! 99







66 In this supplement to our Annual Report, you have met some people who work for, or are customers of Great-West Life. I think they have told you quite a candid story about us. And, one of my impressions, when I first read their comments was how many of them attributed their personal success to others in the company. I think that speaks well of the teamwork involved in our provision of service to the public.

The year 1980 was a demanding period for the company both in terms of major corporate initiatives and external influences. The gratifying results achieved indeed reflect the collective work of a great many people at the corporate and regional headquarters, and throughout the field organization.

During the course of the year, corporate initiatives included further steps in three major areas: the restructuring of our company into separate Canadian and United States operating groups; a major agenda of computerization with a new group claims payment system; and the initiation of the first stage in building a new corporate headquarters in Winnipeg, Manitoba, and the relocation of our U.S. Group Pension Department to the Great-West Plaza in Denver, Colorado.

Each of these initiatives represents an investment in the future productivity of the company and in its capability to focus attention separately on its Canadian and United States markets.

Then, of course, 1980 brought with it the remarkable degree of financial turbulence and inflation. Quite aside from presenting new challenges to our investment operations, the conditions generated a strong demand to identify and respond intelligently to the individual needs of our customers.

In looking forward to the years immediately ahead, we anticipate rapid technological change in an environment of economic uncertainty. We continue therefore with a strong sense of the need to have the right people in the right places within our organization.

The people you have met in this supplement to our Annual Report bespeak that very theme and commitment for the future. 99

KPKavanagh

Clockwise from the top: Great-West Plaza, Denver home of the company's United States Headquarters; the October, 1980 ground-breaking ceremony on the site of the future Corporate Headquarters in Winnipeg; the current Corporate Headquarters building adjacent to the construction site.





Great-West Life Executive Officers

K.P. KAVANAGH President and Chief Executive Officer

Canadian Region

R.S. ABBOTT
Vice-President, Marketing
R.E. BEAMISH, M.D.
Vice-President, Underwriting and Medical
W.L. BENSON
Vice-President, Group Major Accounts
C.D. CHAPMAN
Vice-President, Individual Operations
J.D. GREEN
Vice-President, Group Operations

United States Region

O.T. DACKOW Senior Vice-President, United States A.G. CARMICHAEL Vice-President, Individual Operations D.C. ELLIOTT Vice-President, Marketing A.D. MACLENNAN Vice-President, Group Operations

Investment

J.R. CRYSDALE
Senior Vice-President, Investments
J.A. MITCHINSON
Vice-President, Real Estate Investments
M.G. SMITH
Vice-President, Mortgage and Bond Investments

Corporate Finance and Control

J.O. PARSONAGE
Senior Vice-President, Corporate Finance
and Control
J.A. HILLMAN
Vice-President and Controller

Corporate Resources

H.E. HARLAND Senior Vice-President, Corporate Resources G.W. DOMINY Vice-President, Corporate Planning R.B. PENNYCOOK Vice-President, Corporate Systems

Corporate Staff

G.R. DINNEY
Vice-President, Development
H.W.B. MANNING
Vice-President and Counsel
R.K. SIDDALL
Vice-President and Secretary



Great-West Life Offices

Corporate Headquarters and Canadian Marketing Headquarters — Winnipeg, Manitoba United States Headquarters and United States Marketing Headquarters — Denver, Colorado

Great-West Life is licensed in all ten Canadian provinces and, as indicated by the brown areas on the map, in the District of Columbia and following states:

Alabama Alaska Arizona Arkansas California Colorado Connecticut Delaware Florida Georgia Hawaii Idaho Illinois Indiana lowa Kansas Kentucky Louisiana Maine Maryland Massachusetts Michigan Minnesota Mississippi Missouri Montana Nebraska Nevada New Hampshire New Jersey New Mexico North Carolina North Dakota Ohio Oklahoma Oregon Pennsylvania South Carolina South Dakota Tennessee Texas Utah Vermont Virginia Washington West Virginia Wisconsin

Dots indicate cities in which Great-West Life has one or more of the following:

Individual Sales Office Group Sales Office

office Brokerage Office
e Property Investment Office
Benefit Payments Office

IN SURANCE IN FORCE TOPS 5 BILLION

Continuing the upward trend of recent years, 1980 sales of life insurance and annuities established a record for Great-West Life. Measured by the amount of life insurance protection provided, insurance sales totalled \$8,662,073,000, up 3% over 1979, with 52% and 48% in Canada and the United States respectively. Annuity sales, measured on a revenue premium basis, totalled \$543,311,000, up 3% over 1979. Sales in Canada accounted for 41% of the total with 59% in the United States.

Health insurance sales, expressed in terms of gross annual premiums, also set a record in 1980 at \$134,702,000, of which Canadian sales accounted for 32%: United States sales 68%.

Life insurance business in force increased 17% to \$55,086,845,000 of which 62% was in Canada and 38% in the United States. Annuity business was up 21% to \$2,797,868,000 based on funds held. That represented 55% from Canada and 45% from the U.S.

Health insurance in force, in terms of gross annual premium, totalled \$634,635,000 at December 31 with 42% and 58% in Canada and the United States respectively, representing an increase of \$108,008,000 over the previous year.

New Customers

Over 37,700 individual life insurance policies were sold in 1980, with an average face value of \$72,302. This compares with an average protection per policy of \$68,828 in the previous year. In addition, 18,019 individual annuity policies were purchased last year.

Group insurance accounts for a large portion of Great-West Life's activities. Last year, 1,701 businesses, associations or unions chose to insure their people through Great-West Life. In addition, there were 687 new group annuity policies.

In total, by the end of 1980, Great-West Life had 477,000 individual insurance plans in force. About 3 million people were covered by 5,931 group insurance plans. Over 85,000 individual annuities and 5,337 group annuity plans from Great-West Life provide future income security for North Americans.

Income

Great-West Life's total income in 1980 reached \$1,746,239,000. Premiums paid by policyholders accounted for \$1,319,135,000 of the total, an increase of 7% over last year.

Net investment income, reflecting a substantial increase in investible funds, continuing high interest rates, and a bouyant stock market, increased to \$429,879,000 up 25% over 1970. This money, invested on behalf of policyholders and shareholders in bond, stocks, mortgages and real estate, yielded a 9.76% return on the company's total assets, compared with a 9.1% return the previous year.

Total funds available for investment, including repayment of principle on investments of previous years, amounted to \$983,000,000 compared with \$845,000,000 in 1979. Mortgage investments continued to account for the largest allocation of investible funds followed by bonds, real estate, and common stocks.

Net realized and unrealized capital losses on segregated investment funds were \$2,775,000 in 1980, compared with \$5,135,000 in 1979. These capital losses do not affect Great-West Life's income as they are credited or charged to the segregated funds only.

Benefit payments

Great-West Life pays out money each year as life insurance claims: funds to reduce the costs of hospital care; reimbursements of dental bills; income for annuitants; replacement of income through disabling illnesses or accidents; and as dividends on participating plans. Last year, \$983.6 million was paid out to policyholders and beneficiaries. As well, \$491.8 million was added to the policy reserves held to provide for future payments to policyholders. In total, \$1,475,379,00 was paid out or credited to policyholders and their beneficiaries.

Expenses

The company's operating expenses at \$113,795,000 were up 18% over the previous year, while compensation for Great-West Life representatives was up 16%.

Net Income

In the participating policyholders' account, net income from operations before policyholder dividends was \$83,665,000 up 25% over the previous year. Increased investment income and very favourable mortality experience were the two most significant factors in the improved result. Of the total \$55,542,000 was appropriated for policyholder dividends, up 22% over 1979, and \$43,822,000 including extraordinary items of \$15,699,000 was carried forward to the participating policyholders' surplus account.

Net income from operations attributable to shareholders amounted to \$48,351,000 representing \$24.17 per share compared with \$20.20 in 1979, an increase of 20%.

Improved investment earning and mortality experience together with more favorable results in the Canadian group health insurance line of business were the principal contributing factors. Including extraordinary items totalling \$8,477,999 net income to shareholders was \$28.41 compared with \$23.69 the previous year.



A Great-West Life's ANNUAL REPORT

If you would like a copy of the 89th Annual Report of The Great-West Life Assurance Company, to which this magazine is a supplement, it's yours for the asking.

It contains the Directors' Report and Financial Statements, including the Summary of Operations, Balance Sheet, and other significant facts and figures.

Just write to:

Mr. E.R. Allden Associate Secretary The Great-West Life Assurance Company 60 Osborne St. North Winnipeg, Manitoba, Canada R3C 3A5 A company is known...



A company is known by the company it keeps.

In Great-West Life, "the company it keeps" encompasses policyholders, staff members, field representatives and shareholders. But principally, policyholders. The best measure of a company's character, its capacity to fulfil its business purpose and the degree of its success is to be found in its clientele.

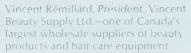
The confidence of an ever-increasing community of policyholders has been a vital factor in the development of Great-West Life as a leader in its field. Individually or as participants in group plans (or both), our policyholders are drawn from a broad cross-section of the public in Canada and the United States but share the common bond of meeting their personal or business financial security needs through the services the Company offers.

In response to people's changing needs and objectives, these services have been constantly improved and

expanded over the years. The basic desire of a father to provide financial security for his family is stronger than ever. Through life insurance he guarantees continuing income. Through life insurance and annuities, he prepares for an independent retirement. He builds an educational fund for his children. He shares in the employee benefit plan where he works. If, however, he is a self-employed businessman or professional, a partner, owner or major shareholder, he has additional financial problems, which life insurance can solve. Often, our clients are, initially, unaware that life insurance has so many uses in business and estate situations

DENVER





"With expanding business interests on one hand and a family of five children on the other. I needed someone to maintain a continuing watch over my changing needs for financial protection. That's why I turned to André Gingras and his estate planning team from Great-West. The excellent program they designed for me takes care of my family and my estate taxes. On the business side, it also provides for key man insurance that guarantees the stability of our corporation and supports our plans for growth. Good planning, good advice, and good service have given me confidence in André Gingras and his associates."



David L. Jacobs, *President*, The Jacobs Corporation—designers and distributors of recreational clothing and equipment under the brand names of "Hot Gear" and "Cool Gear". Pictured with Mr Jacobs is Mark Mullen

"When it came to starting my new company which designs and sells recreational clothing and equipment, Dave Weiss, my Great-West agent, provided me with an excellent way to get the financial backing I needed. Dave was very familiar with my problem. He came up with a key man policy that provided the collateral I needed to secure and cover the financial backing. In the event of my death the life insurance will not only pay off the financial backing, it will also leave my wife with enough money to retain control of the business. I honestly feel Dave and Great-West Life have done a superb job in helping me start my new business."



Ralph M. Boone, with business partners Pierre DesRosiers and Jack Minuk of Boone Plumbing Supplies Co. Ltd. and Pierre DesRosiers Ltée.—major wholesale plumbing and heating suppliers in the Ottawa/Hull area

"After thirty-two years as a sole proprietorship, I decided it was advantageous to link our family business in a partnership that would foster future growth. As partners, we realized that if one partner died, the remaining partners might have to liquidate the business to pay the deceased partner's family its fair share of the business. Dusty Rhodes, our Great-West Life agent, understood our problem. He worked with our lawyer in drawing up a buy-and-sell agreement and funded it with life insurance. Now, if one of us dies, this life insurance will automatically pay the deceased partner's heir for his share of the business, relieving the surviving partners of any financial burden. Thanks to Dusty and Great-West Life, the continuation of our business is assured and our families provided for."

Great-West Life does more for its policyholders than simply selling a policy, collecting premiums, calculating interest, crediting dividends and, subsequently, paying policy benefits. If we are to serve hundreds of thousands of policyholders successfully, we must be attuned to the consumer's needs for financial planning, financial security, and financial independence. We must be alert, able and flexible enough to anticipate and satisfy new needs as they emerge. And we must try to respond in imaginative and innovative ways.

A few of our policyholders have consented to tell how they solved their particular problems with the help of Great-West Life people. The illustrations are typical of our growing capacity to adapt our services to the more sophisticated needs of businessmen and professionals who are faced with complex estate and tax problems. They also point up the need among thousands and thousands of people today for financial services that

provide protection and security not only for the family but also for business interests and life-time investments. Furthermore, the key place that Group insurance has earned in today's environment is demonstrated.

Planning and setting up a program of protection and security for an individual, a partnership, or a corporation are just the beginning of service to the policyholder. That service must be continuing and it must be exemplary.

VANCOUVER



Claude B. Keeland, Ir., President and Chairman of the Board, Guaranty Bank, Dallas Texas and Chairman of the Board North Central Bank, Dallas, Texas

"When it comes to employee benefit plans, I bank on the Great-West Life Innovators.

"From past experience, employee benefit plans can be difficult to package to everyone's satisfaction. That's why I think so highly of the service provided by Sam Monzingo. Sam and the Great-West Life people behind him have put together excellent employee benefit plans for menot only here at the bank but at the other financial institutions in which I have an active interest. That's why I've never hesitated to recommend their services to friends and business



Henning Brasso, *President*, Brasso Datsun Ltd.—Canada's largest Datsun dealership, with branches in Vancouver and Calgary

"Over the years Doug Bajus, my Great-West Life agent, has helped me get the most out of the dollars I save. Take the Registered Retirement Savings Plan he recently worked out for me. It helps me save some of the money that I would otherwise have had to pay out in taxes. First of all, because the plan is registered with the government, the money I put into it today is tax deductible. Then, as Doug explained, the plan has growth potential, and any money I make from the investment will accumulate free from taxes until I retire. As far as I'm concerned Doug and Great-West are doing an excellent job for me."



Aaron Benjamin, President and Ellis Benjamin, Secretary/Treasurer, Benjamin Brothers Corporation—one of the largest rigging and heavy hauling contractors in Philadelphia

"When we recently expanded our company's operations we decided it was time to call Milt Gurmankin of Great-West Life to review our existing pension plan with our attorney and accountant. Milt showed us that our current plan was not compatible with our needs. So, after a thorough analysis of our position he recommended new plans to meet our business and personal needs. Then working with our attorney, Milt developed a buy-and-sell agreement and had it funded with life insurance. Milt really did an outstanding job for us. Now Great-West plans provide full security for our families and the business."

Today, with such factors as a more mobile population, more complex estate and tax laws, and increased reliance on employer-supported benefit programs, service takes on a new significance. Recognizing that our policyholders are entitled to service of the highest possible standard, the search for improvement is a continuing one.

In this respect, payment of benefits is of vital concern. Speed, elimination of "red tape" and courtesy are essential.

More than two million separate benefit payments—for life insurance, monthly pensions, disability income, medical expenses, etc.—are delivered annually by Great-West Life to policyholders and beneficiaries. To the individual however, such a statistic is not important; what is important is to receive his or her payment on time and without fuss. That's our aim in all dealings with policyholders. An example of our service is that over 80% of all health insurance benefit payments are mailed within twenty-four hours after we receive the claim.

In an increasingly complex social and economic environment, the role of the life insurance company becomes more demanding and challenging. Nevertheless, our commitment remains the same: to respond to an individual's needs with personalized service and competent counsel; to help in identifying personal or business financial problems; and to provide the professional skills and the facilities to solve them.

HOUSTON

MONTREAL



Roger Andersen, President, Lakeshore Machinery and Supply Co., Muskegon—a distributor of top quality material handling equipment, machine tools and industrial supplies, with branches in Grand Rapids, Kalamazoo and fraverse City.

"Three years ago we gave our group life, health and major medical business to Great-West Life. The reason? Wes Anderson, our Great-West agent, offered us attractive group rates and the kind of individual service we were looking for.

"By individual service I mean more than just friendliness. I mean immediate payment of claims, something our employees appreciate, and a sincere interest in the problems of our corporation. With Wes and Great-West Life, we get such good service, you'd think ours is the only group plan they have."



Loyd Sharbono, Jr., with his wife Lynda, son Gregory and daughter Dia.

"I didn't fully appreciate the value of our medical coverage until a personal crisis hit our family . . . a major operation for our baby son. At such a time, many families must face not one, but two enormous concerns. The patient's welfare and the ever mounting medical costs. What a comfort it was for our family to know that our son's recovery was our only serious concern. Yes, during that crisis, we gained a deep appreciation for our insurance. What's more, we were tremendously impressed with the efficient, clear and speedy processing of our claims. I consider the service and the co-operative manner of Great-West Life employees to be an indication of the fine attitude and operating principles of your company."



Allan C. Kennedy, Vice-President, Personnel, United Aircraft of Canada Limited—a leader in aero engine technology, including the design and development of the PT6 and JT15D engines.

"In our book, our almost 5000 employees are our most valuable asset. All of them play a major part in the development and progress of this company and as a result, we want to provide them with the best employee benefit program that we are able to offer. Our benefit programs include life insurance, a survivors' income benefit, disability income protection, a supplementary medical plan, and a unique pension package that increases during employment as the cost of living increases. Our 26-year relationship with Great-West has proven that they have the facilities to handle a large employee benefit program like ours. They provide efficient service, quick claims settlement, and competitive rates. We're pleased with the way Great-West handles our employee benefit needs."

In addition to this commitment in terms of financial services, there must also be commitment to the future, to the kind of company Great-West Life is and will be. To this end, a "Statement of Guiding Principles" has been adopted. Over the more than eightyyear history of Great-West Life, similar principles have guided management. There are, however, advantages to setting them out for all to see. Our policyholders know where we stand. So do our shareholders. Our own staff members and field representatives know what is expected of them because the "Guiding Principles" set out ambitious goals and impose challenging standards.

But, to our policyholders, in particular, these "Guiding Principles", which appear on the following pages, should be a strong indication of our intent to do our best to earn and hold their confidence.

PERTINENT FACTS ABOUT GREAT-WEST LIFE

☐ Great-West Life commenced business in 1892 ☐ It has more than one hundred and seventy marketing and service offices in Canada and the United States □ The Company is licensed to do business everywhere in Canada and in twenty-eight states and the District of Columbia in the United States
Products and services include life insurance, annuities and health insurance for individuals and groups

Individual lines include whole life, level and decreasing term plans and riders, juvenile insurance, mortgage protection insurance, family plan benefit, endowments, all types of immediate and deferred annuities, participating and nonparticipating insurance, pension and profit sharing plans, tax sheltered savings and retirement plans and non-cancellable disability income insurance ☐ For employee benefit plans: group term life, survivor's hensive health plans, disability income, all forms of pension and profit sharing plans including both fixed terized Estate Security Service, Salary Savings Plan, and Pension Trust Service (U.S.) □ To serve its two million cate holders, there is a field organization of a thousand career agents, six hundred service and management personnel in the field, and twelve hundred in the home office in Winnipeg. In 1973 a United States Marketing headquarters will be established in Denver, Colorado E Since 1892, Great-West Life has paid out over \$2.8 billion in benefits to policyholders and beneficiaries Best's Life Insurance Reports say, in part, "expenses have been kept remarkably low . . . net cost to policy-Insurance Tables say, "it is evident that the Company follows a progressive policy in extending the scope of safe for any amount of insurance it cares to issue" Sales of life insurance and annuity coverages in 1972 amounted to \$2.2 billion □ Annualized health insurance premiums in force were \$99 million □ Total assets are \$1.7 billion.

Guiding Principles

A. CORPORATE PURPOSE

The purpose of The Great-West Life Assurance Company is to be pre-eminent in the life insurance business. This will be achieved by providing a broad range of products and services for the protection and financial planning of people. Such products and services will be provided at the lowest possible cost consistent with high quality service and sound corporate growth.

B. CORPORATE GROWTH AND FINANCIAL OBJECTIVES

- 1. Premium Growth Objective The premium growth objective of Great-West Life is to have a long-term rate of growth in total premium income in excess of the long-term rate of growth in the total premium income of the insurance industry. Increasing premium income is an objective for all lines of business.
- **2. Financial Objective** The financial objective of Great-West Life is to have long-term growth in net income sufficient to:
- (a) provide the best possible net cost to participating policyholders,
- (b) provide earnings per share which have a longterm rate of increase that results in Great-West being acknowledged in international financial circles as a growth company.

C. CORPORATE PHILOSOPHY

Great-West, as a stock life insurance company doing business in Canada and the United States, believes that there exists in the Company a unique mutuality of interest of policyholders; staff members and commission agents; and share-holders. Exactly the same elements which make Great-West an outstanding policyholder company are beneficial to staff members and commission agents and profitable to shareholders. Excellent investment results, optimal underwriting standards and effective administration are of equal importance to all

In recognition of this mutuality of interests, Great-West defines its business and operating principles in the following statements.

D. THE BUSINESS OF GREAT-WEST

1. Business Mission The major business mission of Great-West will be to provide sound life insurance, health insurance and annuity policies of kinds and in amounts appropriate to the needs of people. Individual policies and group policies will have equal status. Great-West will be alert to changing needs of people and develop new forms of insurance coverage and financial services to meet these needs.

Great-West policies will be of high quality and meet satisfactory standards of social acceptability and actuarial tests of profitability.

2. Marketing System Life insurance, health insurance and annuity policies together with related financial services will be marketed using ethical and efficient practices.

Great-West believes in the commission agent as the primary means of marketing its policies and services. In so doing, it accepts the responsibility of seeing that this system serves the best long-term interests of policyholders and is soundly operated. Great-West may also utilize other means of marketing its policies and services when they are appropriate and consistent with the agency system.

F. THE OPERATING PRINCIPLES OF GREAT-WEST

1. Management Philosophy Great-West believes that it must grow since a business is significantly more effective if it is thriving. Management will therefore operate the Company according to acceptable, enlightened management ideals. principles and procedures. Management will constantly seek better ways of utilizing the Company's resources in keeping with changing conditions and new opportunities. Major emphasis will be placed on the co-ordination of Company operations in terms of well-defined and accepted objectives.

The management of Great-West recognizes that to prosper, it must serve, to the best ability of the Company, its policyholders; staff members and commission agents; stockholders; and the community at large.

2. Personnel Philosophy Great-West will strive to select only the best candidates for positions in the Company; to provide career staff members and commission agents with a dynamic environment which makes available growth opportunities and in which each individual may progress according to his own ability, performance and interests; and to reward each individual commensurate with his contribution to the overall performance of the Company.

Personnel policies will be based upon confidence in and respect for the dignity of the individual. Great-West believes that, as each individual's own particular needs and objectives vary, the ultimate responsibility for personal financial security must

rest with the individual. Great-West will make provision, through the shared contribution of the Company and participants, for benefits programs providing a high degree of financial security to staff members, commission agents and their families.

- 3. Investment Philosophy The financial results accruing to policyholders and stockholders are dependent in a large measure upon the return on the investment of funds. While fully discharging its responsibility for the security of the funds entrusted to it, Great-West will, in a manner consistent with the acceptance of its social responsibilities, optimize the returns available.
- 4. Business Standards Great-West will observe the highest standard of integrity in its relationships with policyholders; staff members and commission agents; stockholders; and the community at large.
- 5. Relations with Policyholders Great-West will meet its contractual obligations to policyholders in the spirit of the contract and not merely in accordance with the letter of the law. Policyholder claims and requests for service will be given prompt, fair and judicious consideration. Service to policyholders will be provided at reasonable cost and with the aim of earning public commendation and good-will while achieving excellent conservation of insurance in force.
- 6. Relations with Stockholders Great-West desires to be known by its stockholders as a growth company. To be so known, Great-West's management recognizes it must take the long-term point of view and pursue increasing profit objectives that require increasing new business objectives.

This statement of Great-West's business and operating principles establishes the criteria against which all objectives and planning will be formulated and tested.



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DIRECTORS'
REPORT
AND

SEVENTY-THIRD ANNUAL MEETING / WINNIPEG, CANADA / FEBRUARY 2, 1965

FINANCIAL
STATEMENTS
1964



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DIRECTORS' REPORT

During 1964, the Company achieved the largest increases in its seventy-three year history in business in force, assets and earnings.

NEW BUSINESS

Higher Individual Life sales, up 17%, and slightly higher Group Life sales, combined with lower Annuity sales, produced a net increase over 1963.

						1964	1963
Individual Life Policies	_	_	_	_	_	\$341,220,000	\$290,529,000
Group Life	-	-	_	-	-	262,904,000	260,363,000
Annuities	-	-	-	-	-	107,992,000	140,126,000
						\$712,116,000	\$691,018,000

Health Insurance sales totalled \$6,958,000 of annual premiums, compared to \$5,871,000 the previous year.

BUSINESS IN FORCE

Business in force now totals \$6,908,000,000, an increase of \$509,000,000 for the year. Life Insurance in force totals \$5,581,000,000, up \$409,000,000, and Annuities in force total \$1,327,000,000, up \$100,000,000 for the year. These figures do not include the Company's Health Insurance business.

HEALTH INSURANCE

Earned premiums were \$41,389,000, up 15.1%, and interest income also increased. Benefits paid, expenses and taxes required 100.6% of earned premiums in 1964 as compared to 99.9% in 1963. However, the higher interest income was sufficient to cover the underwriting loss and permit an increase in Contingency Reserve and Surplus. The increase was slightly lower than in 1963.

INCOME

The Company's total income was \$215,079,000, an increase of \$16,373,000. Premium income increased by 7.4%. The net rate of interest earned rose for the sixteenth consecutive year, increasing to 5.61% from 5.47% in 1963.

PAYMENTS TO POLICYHOLDERS AND BENEFICIARIES

These payments totalled \$120,520,000, higher by \$13,317,000 than in 1963. In addition, reserves for future payments to policyholders were increased \$52,101,000. Mortality experience was more favorable than in 1963 for both Individual and Group Insurance.

DIVIDENDS

Policyholder dividends were \$12,566,000 in 1964, an increase of \$1,034,000 over 1963. A change to a higher scale of Individual policy dividends is planned for later in 1965. Shareholder dividends were \$700,000 compared to \$640,000 in 1963.

EXPENSES

While operating expenses increased over the previous year, the expense rate remained unchanged.

ASSETS AND LIABILITIES

Total Company assets increased a record \$77,631,000 to \$1,068,679,000. The Company's practice of providing for possible future investment losses was continued by writing down assets \$2,577,000.

A bank loan, since repaid, of \$4,250,000 was incurred to take advantage of investment opportunities.

A segregated Equity Investment Fund was established in 1964 to enable a portion of employer contributions to group pension plans to be invested in equities. An amount of \$250,000 was transferred from the Shareholders' Account to assist in establishing this Fund.

Reserves held for obligations to policyholders now total \$957,500,000. The Contingency Reserve was increased by \$3,000,000 to \$33,000,000 while Surplus increased by \$5,727,000. Capital, Contingency Reserve and Surplus funds now amount to \$89,403,000, which constitutes a margin of protection for policyholders of 8.4% of assets.

On February 4, 1964 Mr. E. H. Moncrieff, President of Standard Aero Engine Limited, and Dr. P. H. T. Thorlakson, Surgeon and Executive Director of the Winnipeg Clinic, were elected to the Board of Directors. These elections filled the vacancies occasioned by the retirement, after lengthy and distinguished service, of the Honourable T. A. Crerar and Mr. S. L. Cork. In October, Mr. C. Antoine Geoffrion, Q.C., senior partner in the legal firm of Geoffrion and Prud'homme of Montreal, was appointed a Director of the Company.

The outlook for continued growth through expansion of our services in both Canada and the United States is excellent.

The Directors record their sincere appreciation of the splendid contribution made by the Officers, Staff and Field organization to the year's results.

On behalf of the Board,

BALANCE SHEE

ASSETS	1964	1963 (for comparison)
BONDS \$ 3	83,993,679	\$361,241,562
Government and municipal bonds \$176,851,399; corporate and other bonds \$207,142,280		
STOCKS	46,670,973	37,726,497
Preferred stocks \$12,616,617; common stocks \$34,054,356		
MORTGAGES AND SALE AGREEMENTS 4	97,465,867	454,630,597
First mortgages \$493,650,518; sale agreements \$3,815,349		
REAL ESTATE	64,569,233	60,476,364
Real estate purchased for income \$57,792,734; Head Office properties \$6,776,499		
LOANS TO POLICYHOLDERS	46,771,569	44,178,651
Secured by the cash value of policies of this Company		
CASH IN BANKS AND ON HAND	5,738,290	9,149,784
OUTSTANDING PREMIUMS	9,121,848	9.161.985
Premiums in course of collection		
INTEREST ACCRUED	12,617,056	12,186,672
Bonds \$5,121,328; mortgages and sale agreements \$6,073,706; policy loans \$1,263,529; other securities \$158,493		
OTHER ASSETS	1,730,086	2,296,021
Including the segregated Equity Investment Fund \$264,294		
\$1,0	68,678,601	\$991,048,133

DECEMBER 31, 1964

LIABILITIES	1964	1963
POLICYHOLDERS' RESERVES - In accordance with legal requirements this amount together with future interest and premiums provides for the payment of the benefits promised in the Company's policies and staff pension plan	\$ 838,714,547	(for comparison) \$787,512,812
POLICYHOLDERS' FUNDS	96,163,745	85,805,519
POLICYHOLDERS' DIVIDENDS Provision for dividends payable in 1965	12,421,514	11,198,368
RESERVE FOR UNREPORTED CLAIMS A special reserve for claims which have not yet been reported	10,200,000	9,300,000
BANK LOAN	4,250,000	_
OTHER LIABILITIES	17,525,759	16,555,275
CAPITAL, CONTINGENCY RESERVE AND SURPLUS	89,403,036	80,676,159
	\$1,068,678,601	\$991,048,133

United States currency amounts are included in these statements dollar for dollar with Canadian

SUMMARY OF 1964 OPERATIONS

	1964	1963
THE COMPANY'S INCOME WAS:		(for comparison)
Insurance and Annuity Premiums	\$159,419,930	\$148,391,701
Interest, Dividends and Rents less Investment Expenses	55,659,323	50,314,342
	\$215,079,253	\$198,706,043
THIS INCOME WAS USED FOR:		
Death Benefits	\$ 28,293,907	\$ 26,924,440
Accident, Disability and Health Benefits	35,442,099	30,203,101
Annuity Payments	12,810,817	11,611,918
Matured Endowments	4,600,457	4,584,846
Surrender Benefits	23,057,463	19,027,583
Dividends to Policyholders	12,565,815	11,531,345
Interest on Funds on Deposit	3,749,545	3,320,020
Total Payments to Policyholders and Beneficiaries -	\$120,520,103	\$107,203,253
Increase in Reserves for Future Payments to Policyholders	52,101,735	52,352,567
Total Paid or Credited to Policyholders and Beneficiaries during the year	\$172,621,838	\$159,555,820
Commissions, Medical Fees and Inspection of Risks -	9,283,525	8,929,727
Operating Expenses	16,184,100	14,967,342
Taxes	4,736,134	4,524,039
Net Write-down of Assets less Net Profit on Sales of Assets	2,576,779	2,315,746
Dividends to Shareholders	700,000	640,000
Transfer to Equity Investment Fund	250,000	
Increase in Contingency Reserve	3,000,000	2,500,000
Increase in Surplus	5,726,877	5,273,369
	\$215,079,253	\$198,706,043

AUDITORS' REPORT

To the Policyholders and Shareholders of
THE GREAT-WEST LIFE ASSURANCE COMPANY:

We have examined the balance sheet of The Great-West Life Assurance Company as at December 31 1964 and the related summary of 1964 operations and have received all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

The policy reserves and other liabilities under policy contracts are stated at amounts certified by the company's Actuary and have not otherwise been verified by us. Cash balances, and securities representing the investments in bonds and stocks were verified by inspection or certificates from depositaries. These securities are stated at book values which, in total, are less than the market values determined by the Department of Insurance of Canada.

In our opinion, with the foregoing explanations, the accompanying balance sheet and the related summary of 1964 operations are properly drawn up so as to present fairly the financial position of the company as at December 31 1964 and the results of its operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the company.

(Signed) PRICE WATERHOUSE & Co.

Chartered Accountants

JOSEPH HARRIS, Chairman of the Board

- D. E. KILGOUR, President
- J. E. MORRISON, Executive Vice-President
- J. A. MacAULAY, Q.C., Vice-President

H. E. SELLERS

GEORGE McLEAN

H. W. MANNING

P. A. CHESTER

RHYS M. SALE, Oakville

W. P. WALKER, Toronto

W. C. RILEY

A. S. LEACH

G. T. RICHARDSON

H. S. FOLEY, Vancouver

DONALD M. ELLIMAN, New York

P. S. BOWER

E. H. MONCRIEFF

P. H. T. THORLAKSON, M.D.

C. A. GEOFFRION, Q.C., Montreal

D. E. KILGOUR, President

- J. E. MORRISON, Executive Vice-President
- P. S. BOWER, Vice-President and Treasurer

GEORGE AITKEN, Vice-President and Comptroller

E. A. PALK, Vice-President and Director of Agencies

- R. O. A. HUNTER, Vice-President and Secretary
- A. E. LOADMAN, Vice-President and Actuary
- W. L. BENSON, Director of Group Sales and Administration
- F. A. L. MATHEWSON, M.D., Medical Director
- R. C. BARNSLEY, Director of Research

EXECUTIVE OFFICERS

BOARD OF DIRECTORS

AR33

SEVENTY-FIFTH ANNUAL MEETING FEBRUARY 7, 1967

NOT FOR RELEASE

BEFORE 3:00PM

TUESDAY, FEB. 7, 1967



1966
DIRECTORS' REPORT
AND FINANCIAL STATEMENTS

THE

Great-West Life

ASSURANCE COMPANY

HEAD OFFICE . WINNIPEG, CANADA



DIRECTORS' REPORT

While slightly below the record growth figures achieved in 1965, the year's results reflected marked progress. Policyholder and shareholder dividends were increased and a further large addition was made to Contingency Reserve and Surplus.

NEW BUSINESS

For the second successive year, sales of insurance and annuities exceeded \$900,000,000, and were just below the record high total achieved in 1965. Higher Individual Life sales, up 10%, and slightly higher Annuity sales were offset by lower Group Life sales.

	1966	1965
Individual Life Policies	\$407,899,000	\$370,991,000
Group Life	376,137,000	423,876,000
Annuities	130,990,000	127,688,000
	\$915,026,000	\$922,555,000

Health Insurance sales totalled \$8,167,000 of annual premiums, compared to \$8,285,000 the previous year.

BUSINESS IN FORCE

Business in force now totals \$8,298,000,000, an increase of \$675,000,000 for the year. Life Insurance in force totals \$6,778,000,000, up \$624,000,000, and Annuities in force total \$1,520,000,000, up \$51,000,000 for the year. The introduction of the Canada Pension Plan on January 1st resulted in downward adjustments in many pension plans, but a net increase in pension business was achieved during the year. The business in force totals do not include the Company's health insurance business.

HEALTH INSURANCE

Earned premiums were \$53,562,000, up 15.5%, and interest income also increased. Benefits paid, expenses and taxes required 98.2% of earned premiums in 1966, as compared to 99.7% in 1965. This improved experience permitted a larger addition to Contingency Reserve and Surplus than in 1965.

INCOME

The Company's total income was \$256,330,000, an increase of \$19,082,000. Premium income increased by 7.8%. The net rate of interest earned rose for the eighteenth consecutive year, increasing to 5.83% from 5.73% in 1965.

PAYMENTS TO POLICYHOLDERS AND BENEFICIARIES

These payments totalled \$150,604,000, higher by \$21,092,000 than in 1965. In addition, reserves for future payments to policyholders were increased \$56,745,000. Surrender payments were higher by approximately \$10,000,000, and mortality experience continued at a favorable level during the year.

DIVIDENDS

Policyholder dividends were \$14,689,000 in 1966, an increase of \$1.081,000 over 1965. A new and higher scale of individual policy dividends and an increase in the rates of interest paid on policyholder funds became effective January 1, 1967. Shareholder dividends were \$880,000 compared to \$800,000 in 1965.

EXPENSES

Operating expenses increased by 13%, and the expense rate was higher than in 1965.

ASSETS AND LIABILITIES

Total Company assets increased \$76,146,000 to \$1,222,444,000. The Company continued its practice of writing down assets to provide for possible future investment losses. The write-down, together with a small net loss on sales of assets, amounted to \$2,499,000.

Reserves held for policyholders now total \$1,095,768,000. The Contingency Reserve was increased by \$3,000,000 to \$39,000,000 while Surplus increased by \$5,740,000. Capital, Contingency Reserve and Surplus funds now amount to \$107,032,000, which constitutes a margin of protection for policyholders of 8.76% of assets.

* * *

Your Directors record with deep sorrow the untimely death on October 14, 1966, of Mr. J. E. Morrison, Executive Vice-President since 1960, and a Director since 1961. His period of service with the Company extended over thirty-four years.

On February 1, 1966, Mr. Marcel Belanger, C.A., of Quebec City was appointed a Director of the Company. During the year the resignation of Mr. W. C. Riley as a Director with nearly fourteen years of valued service, was accepted with regret.

Looking ahead the economic outlook remains favorable and the opportunities are excellent for the continued development and expansion of the Company's services in both Canada and the United States.

To the Officers, Staff and Field Organization whose combined efforts have contributed in a major way to the year's results, the Directors record their sincere appreciation.

On behalf of the Board,

BALANCE SHEET

ASSETS	1966	1965 (for comparison)
BONDS	\$ 453,825,862	\$ 408,067,350
STOCKS	66,258,886	58,065,319
MORTGAGES AND SALE AGREEMENTS First mortgages \$530,408,094; sale agreements \$4,282,391	534,690,485	520,450,447
REAL ESTATE Real Estate purchased for income \$63,726,648; Head Office properties \$6,566,709	70,293,357	69,232,557
LOANS TO POLICYHOLDERS Secured by the cash value of policies of this Company	59,239,833	49,732,901
CASH IN BANKS AND ON HAND	9,874,923	16,493,103
OUTSTANDING PREMIUMS Premiums in course of collection	10,537,210	9,583,361
INTEREST ACCRUED Bonds \$5,562,559; mortgages and sale agreements \$6,255,381; policy loans \$1,579,185; other securities \$210,418	13,607,543	12,991,381
OTHER ASSETS Including segregated equity and property investment funds \$2,920,088	4,116,247	1,681,605
	\$1,222,444,346	\$1,146,298,024
JOSEPH HARRIS, Chairman of the Board D. E. KILGOUR, President	almo	d 7%

ECEMBER 31, 1966

LIABILITIES	1966	1965 (for comparison)
POLICYHOLDERS' RESERVES In accordance with legal requirements this amount together with future interest and premiums provides for the payment of the benefits promised in the Company's policies and staff pension plan	\$ 955,050,571	\$ 900,105,236
Policy proceeds left on deposit \$17,266,866; dividends left to accumulate \$51,492,762; policy benefits in process of payment \$16,027,290; premiums received in advance and other policyholders' funds \$27,929,056	112,715,974	104,090,325
POLICYHOLDERS' DIVIDENDS Provision for dividends payable in 1967	14,851,587	13,628,065
RESERVE FOR UNREPORTED CLAIMS A special reserve for claims which have not yet been reported	13,150,000	11,350,000
OTHER LIABILITIES	19,644,105	18,832,310
CAPITAL, CONTINGENCY RESERVE AND SURPLUS	107,032,109	98,292,088
	\$1,222,444,346	\$1,146,298,024

United States currency amounts are included in these statements dollar for dollar with Canadian

SUMMARY OF 1966 OPERATIONS

	1966	1965 (for comparison)
THE COMPANY'S INCOME WAS:		
Insurance and Annuity Premiums	\$189,987,278	\$176,158,827
Interest, Dividends and Rents less Investment Expenses	66,342,245	61,088,984
	\$256,329,523	\$237,247,811
	1,	2.5%
THIS INCOME WAS USED FOR:		
Death Benefits	\$ 32,550,890	
Accident, Disability and Health Benefits	43,722,246	38,948,508
Annuity Payments	15,765,455	13,868,524
Maturity and Surrender Benefits	39,189,956	29,560,454
Dividends to Policyholders	14,688,644	13,608,153
Interest on Funds on Deposit	4,686,533	4,225,846
Total Payments to Policyholders and Beneficiaries -	\$150,603,724	\$129,512,450
Increase in Reserves for Future Payments to Policyholders	56,745,335	62,540,689
Total Paid or Credited to Policyholders and Beneficiaries during the year	\$207,349,059	\$192,053,139
Commissions, Medical Fees and Inspection of Risks -	10,736,604	10,061,828
Operating Expenses	19,898,442	17,560,030
Taxes	6,225,938	5,138,704
Net Write-down of Assets and Net Loss on Sales		
of Assets	2,499,459	2,745,058
Dividends to Shareholders	880,000	800,000
Increase in Contingency Reserve	3,000,000	3,000,000
Increase in Surplus	5,740,021	(2.5) 5,889,052
	\$256,329,523	\$237,247,811

AUDITORS' REPORT

To the Policyholders and Shareholders of

THE GREAT-WEST LIFE ASSURANCE COMPANY:

We have examined the balance sheet of The Great-West Life Assurance

Company as at December 31 1966 and the related summary of 1966

operations. Our examination included a general review of the account-

ing procedures and such tests of accounting records and other supporting

evidence as we considered necessary in the circumstances.

The policy reserves and other liabilities under policy contracts are stated

at amounts certified by the company's Actuary and have not otherwise

been verified by us. Cash balances, and securities representing the invest-

ments in bonds and stocks were verified by inspection or certificates

from depositaries. These securities are stated at book values which, in

total, are less than the market values determined by the Department of

Insurance of Canada.

In our opinion, with the foregoing explanations, the accompanying

balance sheet and the related summary of 1966 operations present fairly

the financial position of the company as at December 31 1966 and the

results of its operations for the year ended on that date, according to the

best of our information and the explanations given to us and as shown

by the books of the company.

(Signed) PRICE WATERHOUSE & Co.

Chartered Accountants

Winnipeg, February 3 1967

7

BOARD OF DIRECTORS

JOSEPH HARRIS, Chairman of the Board

D. E. KILGOUR, President

J. A. MacAULAY, Q.C., Vice-President

MARCEL BELANGER, Quebec

P. S. BOWER

P. A. CHESTER

DONALD M. ELLIMAN, New York

H. S. FOLEY, Vancouver

C. A. GEOFFRION, Q.C., Montreal

A. S. LEACH

H. W. MANNING

GEORGE McLEAN

E. H. MONCRIEFF

G. T. RICHARDSON

RHYS M. SALE, Oakville

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P. H. T. THORLAKSON, M.D.

W. P. WALKER, Toronto

EXECUTIVE OFFICERS

D. E. KILGOUR, President

P. S. BOWER, Vice-President and Treasurer

GEORGE AITKEN, Vice-President and Comptroller

E. A. PALK, Vice-President and Director of Agencies

R. O. A. HUNTER, Vice-President and Secretary

A. E. LOADMAN, Vice-President and Actuary

W. L. BENSON, Director of Group Sales and Administration

F. A. L. MATHEWSON, M.D., Medical Director

1967 DIRECTORS' REPORT AND FINANCIAL STATEMENTS

SEVENTY-SIXTH ANNUAL MEETING FEBRUARY 6, 1968

THE

Great-West Life

ASSURANCE COMPANY

HEAD OFFICE . WINNIPEG. CANADA



DIRECTORS' REPORT

The results for the 75th year of operation were the best ever achieved. Sales, earnings, and growth in assets and business in force were all at record high levels.

NEW BUSINESS

Record sales of \$973,000,000 of insurance and annuities were up 6%.

					1967	1966
Policies	-	-	-	-	\$433,149,000	\$407,899,000
	-	-	-	-	416,353,000	376,137,000
	_	_	-	-	123,883,000	130,990,000
					\$973,385,000	\$915,026,000
	Policies	Policies -	Policies		Policies	Policies \$433,149,000 416,353,000 123,883,000

Health Insurance sales of \$9,166,000 were 12% higher than the previous year.

BUSINESS IN FORCE

Business in force now totals \$9,276,000,000, an increase of \$978,000,000 for the year. That our business in force should grow by a larger figure than sales, results from substantial accretion to existing Group Insurance and Group Annuity plans. Life Insurance in force is now \$7,520,000,000, up 10.9% and Annuities in force \$1,756,000,000, up 15.4%. The Company's Health Insurance business is not included in this total.

HEALTH INSURANCE

Earned premiums were \$58,320,000, up 8%. Benefits paid, expenses and taxes required 96.5% of earned premiums. a modest improvement over a year ago. This enabled us to strengthen reserves and add \$1,800,000 to the Contingency Reserve and Surplus held for the protection of this rapidly growing branch of our business.

INCOME

The Company's total income was \$271,975,000. Premiums increased by \$9,100,000, and the net rate of interest earned rose for the nineteenth consecutive year to 5.92% from 5.83% in 1966.

PAYMENTS TO POLICYHOLDERS AND BENEFICIARIES

These payments totaled \$160,089,000, an increase of \$7,685,000. Increases to reserves for future payments to policyholders of \$57,577,000 brought the total paid or credited to policyholders to \$217,666,000. Mortality was more favorable than in the previous year, and surrender payments were almost identical to 1966.

DIVIDENDS

Policyholder dividends, which were increased on January 1, 1967, were \$15,521,000 compared to \$14,688,000 in 1966. Shareholder dividends were \$1,000,000 compared to \$880,000 in 1966.

EXPENSES

Operating expenses were higher by 9% and the expense rate, as for many businesses, increased again in 1967. Taxes also increased.

ASSETS AND LIABILITIES

Assets increased \$87,868,000 to \$1,310,313,000. In view of the disturbed financial markets during the year, assets were written down by \$3,499,000 compared to \$2,499,000 in 1966.

Segregated funds held for group pensions grew over \$7,000,000 during the year. Contingency Reserve was increased by \$3,000,000 to \$42,000,000 and Surplus increased by \$6,585,000. Capital, Contingency Reserve and Surplus amount to \$116,617,000 and constitute a margin of protection to policyholders which is considered adequate in relation to present liabilities.

* * *

On February 7, 1967, four new Directors joined the Board of Directors, Mr. A. M. Runciman, President, United Grain Growers Limited; Mr. Peter D. Curry, Chairman, Greater Winnipeg Gas Company; Mr. J. R. Murray, Managing Director, Hudson's Bay Company; and Mr. J. C. Parlee, Senior Executive Vice-President, The International Nickel Company of Canada, Limited.

Retiring from the Board of Directors on the same date after lengthy and distinguished service to the Company were, Mr. H. E. Sellers, Mr. George McLean, Mr. H. W. Manning and Mr. P. A. Chester. In July, Mr. G. T. Richardson, a Director since 1955, was elected a Vice-President.

The market for our services in 1968 looks buoyant and challenging.

The Directors wish to express sincere appreciation of the very large part that the devoted efforts of our Field Organization, Staff and Officers contributed to the year's results.

On behalf of the Board,

BALANCE SHEET

ASSETS	1967	1966 (for comparison)
BONDS	\$ 487,880,845	\$ 453,825,862
STOCKS	79,030,458	66,258,886
MORTGAGES AND SALE AGREEMENTS Mortgages \$540,923,524; sale agreements \$7,329,984	548,253,508	534,690,485
REAL ESTATE Real Estate acquired for income \$65,431,332; Head Office properties \$6,461,814	71,893,146	70,293,357
LOANS TO POLICYHOLDERS Secured by the cash value of policies of this Company	65,527,202	59,239,833
CASH IN BANKS AND ON HAND	16,605,312	9,874,923
OUTSTANDING PREMIUMS Premiums in course of collection	14,556,064	10,537,210
INTEREST ACCRUED Bonds \$5,964,115; mortgages and sale agreements \$6,291,335; policy loans \$1,652,587; other securities \$264,093	14,172,130	13,607,543
SEGREGATED EQUITY AND PROPERTY INVESTMENT FUNDS	10,150,636	2,920,088
OTHER ASSETS	2,243,412	1,196,159
	\$1,310,312,713	\$1,222,444,346

ECEMBER 31, 1967

LIABILITIES	1967	1966
POLICYHOLDERS' RESERVES In accordance with legal requirements this amount together with future interest and premiums provides for the payment of the benefits promised in the Company's policies and staff pension plan	\$1,012,628,072	(for comparison) \$ 955,050,571
POLICYHOLDERS' FUNDS Policy proceeds left on deposit \$17,116,326; dividends left to accumulate \$56,787,307; premiums received in advance and other policyholders' funds \$32,838,230	106,741,863	96,688,684
POLICYHOLDERS' DIVIDENDS Provision for dividends payable in 1968	15,606,429	14,851,587
PROVISION FOR CLAIMS Policy benefits in process of payment \$19,450,575; provision for unreported claims \$13,050,000	32,500,575	29,177,290
SEGREGATED INVESTMENT FUNDS	10,150,636	2,920,088
OTHER LIABILITIES	16,067,839	16,724,017
CAPITAL, CONTINGENCY RESERVE AND SURPLUS	116,617,299	107,032,109
	\$1,310,312,713	\$1,222,444,346

United States currency amounts are included in these statements dollar for dollar with Canadian

SUMMARY OF 1967 OPERATIONS

	1967	1966 (for comparison)
THE COMPANY'S INCOME WAS:		
Insurance and Annuity Premiums	\$199,087,941	\$189,987,278
Interest, Dividends and Rents less Investment Expenses	72,886,969	66,342,245
	\$271,974,910	\$256,329,523
THIS INCOME WAS USED FOR:		
Death Benefits	\$ 34,160,979	\$ 32,675,890
Accident, Disability and Health Benefits	48,071,447	45,397,246
Annuity Payments	17,623,971	15,765,455
Maturity and Surrender Benefits	39,645,232	39,189,956
Dividends to Policyholders	15,521,688	14,688,644
Interest on Funds on Deposit	5,065,189	4,686,533
Total Payments to Policyholders and Beneficiaries -	\$160,088,506	\$152,403,724
Increase in Reserves for Future Payments to Policyholders	57,577,501	54,945,335
Total Paid or Credited to Policyholders and Beneficiaries during the year	\$217,666,007	\$207,349,059
Commissions, Medical Fees and Inspection of Risks -	11,302,127	10,736,604
Operating Expenses	21,620,626	19,898,442
Taxes	7,301,625	6,225,938
Net Write-down of Assets less Net Profit on Sales		
of Assets	3,499,335	2,499,459
Dividends to Shareholders	1,000,000	880,000
Increase in Contingency Reserve	3,000,000	3,000,000
Increase in Surplus	6,585,190	5,740,021
	\$271,974,910	\$256,329,523

AUDITORS' REPORT

To the Policyholders and Shareholders of

THE GREAT-WEST LIFE ASSURANCE COMPANY:

We have examined the balance sheet of The Great-West Life Assurance

Company as at December 31 1967 and the related summary of 1967

operations. Our examination included a general review of the accounting

procedures and such tests of accounting records and other supporting

evidence as we considered necessary in the circumstances.

Policyholders' reserves and other actuarial liabilities are stated at amounts

certified by the company's Actuary and have not otherwise been verified

by us. Bonds and stocks are stated at book values which, in total, are

less than the market values determined by the Department of Insurance

of Canada.

In our opinion, with the foregoing explanations, the accompanying

balance sheet and the related summary of operations present fairly the

financial position of the company as at December 31 1967 and the

results of its operations for the year then ended, in accordance with

generally accepted accounting principles of the insurance business.

(Signed) PRICE WATERHOUSE & Co.

Chartered Accountants

Winnipeg, February 2 1968

7

BOARD OF DIRECTORS

JOSEPH HARRIS, Chairman of the Board

D. E. KILGOUR, President

J. A. MacAULAY, Q.C., Vice-President

G. T. RICHARDSON, Vice-President

MARCEL BELANGER, Quebec

P. S. BOWER

PETER D. CURRY

DONALD M. ELLIMAN, New York

H. S. FOLEY, Vancouver

C. A. GEOFFRION, Q.C., Montreal

A. S. LEACH

E. H. MONCRIEFF

J. R. MURRAY

JAMES C. PARLEE, New York

A. M. RUNCIMAN

RHYS M. SALE, Toronto

P. H. T. THORLAKSON, M.D.

W. P. WALKER, Toronto

SENIOR EXECUTIVE OFFICERS

D. E. KILGOUR. President

P. S. BOWER, Vice-President, Finance

GEORGE AITKEN, Vice-President, Administration

R. C. BROWN, Vice-President, Marketing

R. O. A. HUNTER, Vice-President and Secretary

A. E. LOADMAN, Vice-President and Senior Actuary

F. A. L. MATHEWSON, M.D., Medical Director

1968 DIRECTORS' REPORT AND FINANCIAL STATEMENTS

PRESENTED AT THE SEVENTY- SEVENTH ANNUAL MEETING

FEBRUARY 4, 1969



DIRECTORS' REPORT

The year 1968 was one of significant progress for the Company. Sales, earnings and business in force all reached record high levels.

NEW BUSINESS

Sales of \$1,285,000,000 of insurance and annuities were up 32%.

							1968	1967
Individual Life	Policie	s -	~	-	-	\$	488,944,000	\$433,149,000
Group Life -			_	-	-		683,983,000	416,353,000
Annuities -				-	-		112,969,000	123,883,000
						\$1	1,285,896,000	\$973,385,000

Health Insurance sales were \$11,066,000 of annual premiums, 21% higher than the previous year.

BUSINESS IN FORCE

Business in force, excluding Health Insurance, now totals \$10,269,000.000, an increase of \$993,000.000 for the year. Life Insurance in force is now \$8,380,000,000, up 11.4% and Annuities in force \$1,889,000,000, up 7.6%.

HEALTH INSURANCE

Earned premiums were \$63,678.000, up 9.2%, and interest income also increased. Benefits paid, expenses and taxes required 98.2% of earned premiums in 1968, as compared to 96.5% in 1967. The amount added to Health Insurance contingency reserve and surplus totalled \$1,714,000 compared to \$1,808,000 in 1967.

INCOME

The Company's total income was \$288,598,000. Premiums increased by \$12,033,000 to \$211,121,000, and the net rate of interest earned rose to 6.04% from 5.92% in 1967.

PAYMENTS TO POLICYHOLDERS AND BENEFICIARIES

These payments totalled \$174,366,000, an increase of \$14,278,000. The increase in reserves for future payments to policyholders of \$56,514,000 brought the total paid or credited to policyholders to \$230,880,000. Mortality experience continued at a favourable level in 1968. Surrender payments during the year were higher than in 1967.

Policyholder dividends were \$16,614,000 compared to \$15,521,000 in 1967. A higher scale of dividends for individual policies in the United States became effective January 1, 1969. For individual policies in Canada, provision was made for continuation of the 1968 dividend scale into 1969. The scale will be reviewed again later this year once the proposed Canadian tax legislation has been enacted.

EXPENSES

While operating expenses were higher by 7%, the expense ratio was slightly lower than in 1967.

ASSETS AND LIABILITIES

Assets increased \$76,933,000 to \$1,387,246,000. The Company continued to make provision for fluctuations in asset values by allocating \$3,595,000 to write down assets.

Segregated funds held for group pensions grew over \$5,000,000 during the year and now total \$15,269,000.

Contingency Reserve was increased by \$3,000,000 and Surplus increased by \$7,711,000 to bring Capital, Contingency Reserve and Surplus to \$127,329,000.

TAXES AND SHAREHOLDERS' ACCOUNT

It is not possible at this date to make a definitive appraisal of the short and long term effect on policyholders and shareholders of the proposed Canadian legislation relating to the taxation of life insurance companies announced October 22, 1968. Nevertheless, it would appear that taxes for 1969 and future years will be payable on taxable income each year and not as in prior years only on the amounts transferred to the Shareholders' account. In this event the interests of the shareholders are believed to have been best served by not making any transfer from the non-participating accounts to the Shareholders' account in 1968. Consequently, the balance in the Shareholders' account decreased during the year from \$2,470,000 to \$1,980,000.

Shareholder dividends were \$1,200,000 compared to \$1,000,000 in 1967.

* *

Your Directors record with deep sorrow the untimely death on July 1, 1968 of Mr. W. P. Walker, a Director since 1950.

Early in the year, the resignation of Mr. H. S. Foley as a Director with over twelve years of valued service, was accepted with regret. On September 30, 1968, Mr. P. S. Bower, Vice-President, Finance, and a Director since 1961, retired after lengthy and distinguished service extending over forty-three years.

The outlook for continued growth through expansion of our services in both Canada and the United States is excellent.

The Directors express their sincere appreciation of the splendid contribution made by the officers, staff and field organization to the year's results.

On behalf of the Board,

BALANCE SHEE

ASSETS	1968	1967 (for comparison)
BONDS	\$ 511,673,284	\$ 487,880,845
STOCKS	85,355,504	79,030,458
MORTGAGES AND SALE AGREEMENTS Mortgages \$566,215,052; sale agreements \$9,175,814	575,390,866	548,253,508
REAL ESTATE	71,785,997	71,893,146
LOANS TO POLICYHOLDERS Secured by the cash value of policies of this Company	74,670,155	65,527,202
CASH AND CERTIFICATES OF DEPOSIT	20,560,425	16,605,312
OUTSTANDING PREMIUMS	14,707,428	14,556,064
INTEREST ACCRUED	15,605,453	14,172,130
SEGREGATED EQUITY AND PROPERTY INVESTMENT FUNDS	- 15,269,082	10,150,636
OTHER ASSETS	2,227,819	2,243,412
	\$1,387,246,013	\$1,310,312,713

EMBER 31, 1968

LIABILITIES	1968	1967 (for comparison)
POLICYHOLDERS' RESERVES This amount together with future interest and premiums provides for the payment of the benefits promised in the Company's policies and staff pension plan	\$1,069,141,804	\$1,012,628,072
POLICYHOLDERS' FUNDS Policy proceeds left on deposit \$15,750,634; dividends left to accumulate \$61,593,541; premiums received in advance and other policyholders' funds \$31,694,523	109,038,698	106,741,863
POLICYHOLDERS' DIVIDENDS Provision for dividends payable in 1969	16,693,218	15,606,429
PROVISION FOR CLAIMS Policy benefits in process of payment \$20,339,594; provision for unreported claims \$14,050,000	34,389,594	32,500,575
SEGREGATED INVESTMENT FUNDS	15,269,082	10,150,636
OTHER LIABILITIES	15,384,554	16,067,839
CAPITAL, CONTINGENCY RESERVE AND SURPLUS	127,329,063	116,617,299
	\$1,387,246,013	\$1,310,312,713

United States currency amounts are included in these statements dollar for dollar with Canadian

SUMMARY OF 1968 OPERATIONS

	1968	1967 (for comparison)
THE COMPANY'S INCOME WAS:		
Insurance and Annuity Premiums	\$211,121,513	\$199,087,941
Interest, Dividends and Rents less Investment Expenses	77,476,972	72,886,969
	\$288,598,485	\$271,974,910
THIS INCOME WAS USED FOR:		
Death Benefits	\$ 37,010,479	\$ 34,160,979
Accident, Disability and Health Benefits	53,480,361	48,071,447
Annuity Payments	18,668,620	17,623,971
Maturity and Surrender Benefits	43,034,530	39,645,232
Dividends to Policyholders	16,614,406	<i>15,521,688</i>
Interest on Funds on Deposit	5,558,249	5,065,189
Total Payments to Policyholders and Beneficiaries -	\$174,366,645	\$160,088,506
Increase in Reserves for Future Payments to Policyholders	56,513,732	57,577,501
Total Paid or Credited to Policyholders and Beneficiaries during the year	\$230,880,377	\$217,666,007
Commissions, Medical Fees and Inspection of Risks -	12,219,024	11,302,127
Operating Expenses	23,184,772	21,620,626
Taxes	6,807,506	7,301,625
Net Write-down of Assets less Net Profit on Sales of Assets	3,595,042	3,499,335
Dividends to Shareholders	1,200,000	1,000,000
Increase in Contingency Reserve	3,000,000	3,000,000
Increase in Surplus	7,711,764	6,585,190
	\$288,598,485	\$271,974,910

AUDITORS' REPORT

To the Policyholders and Shareholders of

THE GREAT-WEST LIFE ASSURANCE COMPANY:

We have examined the balance sheet of The Great-West Life Assurance

Company as at December 31 1968 and the related summary of 1968

operations. Our examination included a general review of the accounting

procedures and such tests of accounting records and other supporting

evidence as we considered necessary in the circumstances.

Policyholders' reserves and other actuarial liabilities are stated at amounts

certified by the company's Actuary and have not otherwise been verified

by us. Bonds and stocks are stated at book values which, in total, are less

than the market values determined by the Department of Insurance of

Canada.

In our opinion, with the foregoing explanations, the accompanying

balance sheet and the related summary of operations present fairly the

financial position of the company as at December 31 1968 and the

results of its operations for the year then ended, in accordance with

generally accepted accounting principles of the insurance business.

(Signed) PRICE WATERHOUSE & Co.

Chartered Accountants

Winnipeg, January 31 1969

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BOARD OF DIRECTORS

JOSEPH HARRIS, Chairman of the Board

D. E. KILGOUR, President

J. A. MacAULAY, C.C., Q.C., Vice-President

G. T. RICHARDSON, Vice-President

MARCEL BELANGER, Quebec
PETER D. CURRY
DONALD M. ELLIMAN, New York
C. A. GEOFFRION, Q.C., Montreal
A. S. LEACH
E. H. MONCRIEFF
J. R. MURRAY
JAMES C. PARLEE, New York
A. M. RUNCIMAN
RHYS M. SALE, Toronto
P. H. T. THORLAKSON, M.D.

SENIOR EXECUTIVE OFFICERS

D. E. KILGOUR, President

GEORGE AITKEN, Vice-President, Administration

R. C. BROWN, Vice-President, Marketing

R. O. A. HUNTER, Vice-President and Secretary

A. E. LOADMAN, Vice-President and Senior Actuary

G. C. ELLIOTT, Treasurer

F. A. L. MATHEWSON, M.D., Medical Director

1969 DIRECTORS' REPORT AND FINANCIAL STATEMENTS



DIRECTORS' REPORT

1969 was a unique year in the Company's history from several viewpoints. The biggest sales records we have ever achieved, our affiliation with The Investors Group, new heavy Canadian taxation, new products for the seventies, were all important developments.

SALES AND BUSINESS IN FORCE

Record growth was achieved this year. Life and annuity sales reached \$1,585,368,000, up 23%.

						1969	1968
Individual Life	Policies	-	-	-	\$	514,313,000	\$ 488,944,000
Group Life -		-	-	-		946,393,000	683,983,000
Annuities		-	-	-		124,662,000	112,969,000
					_		
					\$1	1,585,368,000	\$1,285,896,000

Health insurance sales were \$13,617,000 of annual premiums, 23% higher than the previous record of last year.

Business in force, excluding health insurance, now totals \$11,670,000,000, up \$1,400,000,000 for the year. Health insurance premiums earned totalled \$66,018,000 but the full impact of medicare in Canada is not yet reflected.

EARNINGS

Company earnings were lower than last year. The costs of higher sales, higher expense rates on top of new and higher income taxes, poorer health and group life insurance experience, all contributed to lower earnings. The net rate of return on investments was lower than in 1968, 5.94% against 6.05%, due to Place Bonaventure, which is referred to later, and the higher proportion of assets in policy loans and in common stocks. Earnings per share were \$8.27 compared to \$9.76 in 1968 and \$7.66 in 1967.

TAXES

The new tax legislation enacted in 1969 on Canadian life insurance companies was heavier than had been anticipated. Not only are full corporate rates payable on both policyholder and shareholder "earnings" as defined in the Act, but a tax on our investment income is an additional tax not applicable to other savings institutions. From a tax position traditionally designed to encourage private savings through life insurance, we are now taxed more heavily in Canada than in the United States.

PAYMENTS TO POLICYHOLDERS

Benefits and dividends paid to policyholders were nearly \$17,000,000 higher than in 1968 at \$191,000,000. Mortality experience was favorable on individual business, but group life, and health insurance experience were less favorable than in 1968.

ASSETS AND LIABILITIES

Assets increased \$67,000,000 to \$1,454,000,000. The Company continued its policy of writing down its assets to make provision for fluctuations in investment experience and the amount so allocated in 1969 was \$3,063,000.

During the year the Company acquired ownership of Place Bonaventure, Montreal's giant commercial building complex. Opened in 1967, with our Company doing the major financing, it has not reached projected income levels. The Company's long experience in investment real estate has been most favorable and, while Place Bonaventure has been unprofitable thus far and a strain on the Company's earnings. it has the potential to produce good earnings.

Contingency Reserve was maintained at \$45,000,000 and Surplus increased by \$3,095,000 to bring Capital, Contingency Reserve and Surplus to \$130,424,000.

The growth in surplus funds is markedly lower than the \$10,712,000 increase of 1968 because of lower earnings, and also because the 1969 increase is tax-paid. whereas the 1968 increase was before taxes under the then existing legislation. The smaller growth in surplus funds, which are an additional margin of safety to policyholders, is in keeping with our new tax position whereby losses as well as profits are shared by government through taxes.

AFFILIATION WITH THE INVESTORS GROUP

The Great-West Life is controlled jointly by its policyholders and shareholders. In March, The Investors Group made an offer to shareholders to purchase 50.1% of the Company's shares and acquired this holding in April, 1969.

The coordination of mutual interests has been harmoniously achieved during the year. Plans have been made for dual licensing developments in Canada in 1970. Under this arrangement, sales representatives of each company will be marketing certain services of the other company. 1970 should see significant results from these broadened marketing programs, none of which existed in 1969.

* *

On February 4, 1969, Mr. George T. Richardson, President of James Richardson & Sons, Limited, was elected Chairman of the Board, succeeding Mr. Joseph Harris who, with Mr. J. A. MacAulay, C.C., Q.C., a Vice-President, retired from the Board after long and distinguished service. Mr. A. S. Leach, a Director since 1954, and Mr. Peter D. Curry, a Director since 1967, were elected Vice-Presidents of the Company. Mr. W. M. Auld, President, Bristol Aerospace (1968) Ltd., was appointed as a Director, and Messrs. R. C. Brown, Vice-President, Marketing and R. O. A. Hunter, Vice-President and Secretary, became members of the Board. Mr. C. E. Atchison, President of The Investors Group, was appointed a Director on June 18, 1969, succeeding Mr. J. R. Murray who had resigned.

The opportunities for continued development of our services in both Canada and the United States are very real and provide a stimulating climate for the Company's personnel. The Directors express their warm appreciation of the results being achieved by our officers, staff and field organization.

On behalf of the Board,

GEORGE T. RICHARDSON, Chairman of the Board D. E. KILGOUR, President.

January 19, 1970.

SUMMARY OF 1969 OPERATIONS

	1969	1968
N.GOLFE		(for comparison)
INCOME:		
Insurance and annuity premiums Interest, dividends and rents less	\$218,596,405	\$211,121,513
investment expenses	79,817,058	77,476,972
	\$298,413,463	\$288,598,485
DISPOSITION OF INCOME:		
Death benefits	\$ 40,750,752	\$ 37,010,479
Accident, disability and health benefits	57,334,304	53,480,361
Annuity payments	19,571,762	18,668,620
Maturity and surrender benefits	51,389,565	43,034,530
Interest on funds on deposit	5,789,883	5,558,249
Increase in policy reserves	46,957,647	54,427,617
	\$221,793,913	\$212,179,856
Commissions, medical fees and inspection o	f risks - 13,472,803	12,219,024
Operating expenses	27,301,042	23,184,772
Income taxes (note 4)	7,739,362	3,070,679
Premium and other taxes	3,686,688	3,536,827
	\$273,993,808	\$254,191,158
Net income before policyholder dividends -	\$ 24,419,655	\$ 34,407,327
Policyholder dividends (note 7)	16,471,490	16,614,406
NET INCOME — to Statement of Surplus -	\$ 7,948,165	\$ 17,792,921
Analysis of 1969 Net Incom-	a Fornings par Shara	
Analysis of 1909 Net Income	Net Income Attributable to	
	Participating Shareholders Policyholders (Note 5)	Total
Net income before policyholder dividends		\$24,419,655
Dividends to policyholders (note 7)	(16,471,490) —	(16,471,490)
Transfer from participating account to share-		
holders' account (note 7)	(868,539) 868,539	
Net income	\$ (325,207) \$8,273,372	\$ 7,948,165
1969 Earnings per share (1,000,000 shares)	\$8.27	
1968 Earnings per share after adjustment for assumed Canadian income tax (note 6) -	\$9.76	

STATEMENT OF SURPLUS

For the Year 1969

	1969	1968 (for comparison)
BALANCE JANUARY 1	- \$ 81,329,063	\$ 73,617,299
ADD		
Interest due at December 31, 1968 not previously included	1,030,400	
Net income for year from summary of operations	7,948,165	17,792,921
	\$ 90,307,628	\$ 91,410,220
DEDUCT		
Net write-down of assets less net profit on sales of assets	- \$ 3,063,673	\$ 3,595,042
Special increase in policy reserves	- 419,165	2,086,115
Provision for additional income taxes for prior years (note 4)		200,000
Transfer to contingency reserve		3,000,000
Dividends to shareholders (note 7)	- 2,400,000	1,200,000
	\$ 5,882,838	\$ 10,081,157
BALANCE DECEMBER 31	- \$ 84,424,790	\$ 81,329,063
CONTINGENCY RESERVE AT DECEMBER 31	- \$ 45,000,000	\$ 45,000,000
TOTAL CONTINGENCY RESERVE AND SURPLUS AT DECEMBER 31	- \$129,424,790	\$126,329,063

BALANCE SHEE

ASSETS	1969	1968 (for comparison)
BONDS — at amortized cost less write-downs (note 2)	\$ 465,591,018	\$ 511,673,284
Government and municipal bonds \$141,948,143; corporate and other bonds \$323,642,875		
STOCKS — at cost less write-downs (note 2)	104,201,029	85,355,504
Preferred stocks \$18,886,044; common stocks \$85,314,985		
MORTGAGES AND SALE AGREEMENTS — at unpaid balances less unamortized discounts	588,375,948	575,390,866
Mortgages \$578,651,079; sale agreements \$9,724,869		
REAL ESTATE — at cost less encumbrances, depreciation and write-downs	133,297,583	71,785,997
Investment properties \$127,045,560; Head Office properties \$6,252,023		
LOANS TO POLICYHOLDERS	93,612,188	74,670,155
CASH AND CERTIFICATES OF DEPOSIT	9,659,619	20,560,425
PREMIUMS IN COURSE OF COLLECTION	14,459,431	14,707,428
INTEREST DUE AND ACCRUED	17,439,057	15,605,453
SEGREGATED INVESTMENT FUNDS — at market values	25,401,224	15,269,082
OTHER ASSETS	2,216,061	2,227,819
	\$1,454,253,158	\$1,387,246,013

GEORGE T. RICHARDSON, Chairman of the Board D. E. KILGOUR, President

EMBER 31, 1969

LIABILITIES	1969	1968
POLICY RESERVES	\$1,116,518,617	(for comparison) \$1,069,141,804
This amount together with future interest and premiums provides for the payment of the benefits promised in the Company's policies and staff pension plan		
POLICYHOLDERS' FUNDS	110,566,979	109,038,698
Policy proceeds left on deposit \$12,883,904; dividends left to accumulate \$64,965,193; premiums received in advance and other policyholders' funds \$32,717,882		
POLICYHOLDERS' DIVIDENDS	16,597,939	16,693,218
Provision for dividends payable in 1970		
PROVISION FOR CLAIMS	34,859,681	34,389,594
Policy benefits in process of payment \$20,959,681; provision for unreported claims \$13,900,000		
SEGREGATED INVESTMENT FUND	25,401,224	15,269,082
OTHER LIABILITIES	19,883,928	15,384,554
Accrued and deferred taxes \$2,888,364; amounts received but not yet allocated \$6,256,134; sundry liabilities \$10,739,430		
binties \$10,739,430	\$1,323,828,368	\$1,259,916,950
CAPITAL, CONTINGENCY RESERVE AND SURPLUS (note 3)		
Capital stock — authorized, issued and fully paid — 1,000,000 common shares of \$1 par value Contingency reserve Surplus — Shareholders' account — Unassigned surplus	\$ 1,000,000 45,000,000 2,013,301 82,411,489	\$ 1,000,000 45,000,000 1,980,432 79,348,631
	\$ 130,424,790	\$ 127,329,063
	\$1,454,253,158	\$1,387,246,013
	-	

NOTES TO 1969 FINANCIAL STATEMENTS

- 1. The accompanying financial statements have been prepared on the basis of requirements of the Department of Insurance of Canada for reporting in annual statements filed with them.
- 2. Bonds and stocks stated in the balance sheet at \$569,792,047 have a value as determined by the Department of Insurance of Canada of \$573.706.505 using amortized cost for government and government-guaranteed bonds and market values for other securities.
- 3 United States currency amounts are included in these statements dollar for dollar with Canadian. Conversion of United States dollar assets and liabilities to Canadian dollars at the rate of exchange prevailing at December 31, 1969 would have produced an increase in surplus of approximately \$2,300,000 at that date.
- 4. Commencing in 1969 Canadian income taxes are imposed on income as earned and on investment income rather than on transfers to the shareholders' account as in prior years. The amount included in 1969 is \$4,655,377 compared to \$307,929 in 1968.

Canadian income taxes have been assessed to December 31, 1966 and United States income taxes to December 31, 1962. An amount of \$200,000 has been provided for any additional United States income tax payable in respect of the anassessed years.

- 5. The net income attributable to shareholders includes:
 - (i) The net income of the non-participating and health insurance accounts.
 - (ii) Net investment income credited to the shareholders' account.
 - (iii) The amount transferred from the participating policyholders' account to the shareholders' account.
- 6. For 1968 and prior years Canadian corporation income tax was payable only on amounts transferred to the shareholders' account. If the 1968 net income attributable to shareholders of \$14.333.595 had been transferred to the shareholders' account, additional Canadian income taxes would have been incurred. After deducting the estimated amount of this additional tax the balance of net income attributable to shareholders in 1968 would have been \$9,763.000.
- 7. Distribution of earnings to policyholders and shareholders are determined by the Board of Directors. For the participating account 95% of the amount distributed is allotted for policyholder dividends and 5% is transferred to the shareholders account. This complies with Canadian insurance law governing the division of participating earnings as between policyholders and shareholders.

Distributions to shareholders, whether from the participating, non-participating or health insurance accounts, are made by transfers to the shareholders' account from which shareholder dividends are paid.

AUDITORS' REPORT

To the Policyholders and Shareholders of

THE GREAT-WEST LIFE ASSURANCE COMPANY:

We have examined the balance sheet of The Great-West Life Assurance

Company as at December 31, 1969 and the related summary of 1969

operations and statement of surplus for the year 1969. Our examination

included a general review of the accounting procedures and such tests

of accounting records and other supporting evidence as we considered

necessary in the circumstances.

Policyholders' reserves and other actuarial liabilities are stated at amounts

certified by the company's Actuary and have not otherwise been verified

by us.

In our opinion, with the foregoing explanation, the accompanying balance

sheet and the related summary of 1969 operations and statement of

surplus for the year 1969 present fairly the financial position of the com-

pany as at December 31, 1969 and the results of its operations for the

year then ended, in accordance with generally accepted accounting

principles of the insurance business.

(Signed) PRICE WATERHOUSE & Co.

Chartered Accountants

Winnipeg, January 19 1970

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SUMMARY OF CAPITAL, CONTINGENCY RESERVE AND SURPLUS AT DECEMBER 31

(in thousands of dollars)

(in thousands of dollars)	1969	1968	1967
PARTICIPATING ACCOUNT			
Life contingency reserve	\$ 15,000	\$ 16,000	\$ 16,000
Life surplus	26,465	27,342	26,060
	\$ 41,465	\$ 43,342	\$ 42,060
NON-PARTICIPATING AND HEALTH INSURANCE ACCOUNTS			
Life non-participating contingency reserve	\$ 22,500	\$ 21,500	\$ 19,000
Life non-participating surplus	46,075	43,522	37,816
Health contingency reserve	7,500	7,500	7,000
Health surplus	9,872	8,485	7,271
	\$ 85,947	\$ 81,007	\$ 71,087
SHAREHOLDERS' ACCOUNT			
Capital stock	\$ 1,000	\$ 1,000	\$ 1,000
Surplus	2,013	1,980	2,470
	\$ 3,013	\$ 2,980	\$ 3,470
TOTAL CAPITAL, CONTINGENCY RESERVE	4.40		
AND SURPLUS	\$130,425	\$127,329	\$116,617
COMPARATIVE HIGHLIGHTS (in thousands of dollars)			
INSURANCE & ANNUITIES IN FORCE	\$11,670,137	\$10,269,352	\$ 9,276,775
NEW INSURANCE & ANNUITIES	1,585,368	1,285,896	973,385
HEALTH INSURANCE PREMIUM INCOME	66,018	63,679	58,320
ASSETS	1,454,253	1,387,246	1,310,313
TOTAL PREMIUM INCOME	218,596	211,122	199,088
TOTAL PAID OR CREDITED TO POLICYHOLDERS & BENEFICIARIES			
INCLUDING DIVIDENDS	238,685	230,880	217,666
POLICYHOLDER DIVIDENDS	16,471	16,614	15,521
SHAREHOLDER DIVIDENDS	2,400	1,200	1,000
INCREASE IN SURPLUS & CONTINGENCY RESERVE	3,096	10,712	9,585
EARNINGS PER SHARE (1968 and prior years adjusted for assumed Canadian income tax—see note 6)	\$8.27	\$9.76	\$7.66

The following summary sets forth the ten-year history of the growth in the Company's contingency reserve and surplus accounts. These amounts have been retained from earnings as margins to provide for unfavorable fluctuations in asset values and mortality, interest and expense rates and are in keeping with expanding policyholder liabilities.

	1966	1965	1964	1963	1962	1961	1960
\$	15,500	\$ 14,750	\$ 13,750	\$ 13,000	\$ 12,500	\$ 10,600	\$ 9,300
4	24,842	23,618	21,333	19,418	17,700	15,594	14,154
\$	40,342	\$ 38,368	\$ 35,083	\$ 32,418	\$ 30,200	\$ 26,194	\$ 23,454
\$	17,000	\$ 15,750	\$ 14,250	\$ 12,500	\$ 11,000	\$ 10,000	\$ 8,400
	33,931	30,622	27,696	24,477	21,700	19,758	17,928
	6,500	5,500	5,000	4,500	4,000	3,400	2,800
	5,963	4,896	4,357	3,905	3,340	3,011	2,531
\$	63,394	\$ 56,768	\$ 51,303	\$ 45,382	\$ 40,040	\$ 36,169	\$ 31,659
\$	1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
	2,296	2,156	2,017	1,876	1,663	1,490	1,322
\$	3,296	\$ 3,156	\$ 3,017	\$ 2,876	\$ 2,663	\$ 2,490	\$ 2,322
\$	107,032	\$ 98,292	\$ 89,403	\$ 80,676	\$ 72,903	\$ 64,853	\$ 57,435
\$8,	298,477	\$7,623,645	\$6,908,280	\$6,399,721	\$5,940,780	\$5,438,504	\$5,091,810
	915,026	922,555	712,116	691,018	637,985	616,364	667,329
	53,562	46,372	41,389	35,946	32,041	28,385	28,862
1,	222,444	1,146,298	1,068,679	991,048	920,233	854,387	791,495
	189,987	176,159	159,420	148,392	136,286	129,050	123,131
	207,349	192,053	172,622	159,556	145,007	134,671	127,453
	14,689	13,608	12,566	11,531	10,288	9,412	8,101
	880	800	700	640	600	560	500
	8,740	8,889	8,727	7,773	8,050	7,418	6,888
	\$6.30	\$5.70	\$5.94	\$5.13	\$4.10	\$4.97	\$4.18

BOARD OF DIRECTORS

Chairman of the Board

President

GEORGE T. RICHARDSON

D. E. KILGOUR

President
James Richardson & Sons, Limited

Vice-Presidents

A. S. LEACH

Chairman of the Board Federal Grain Limited

PETER D. CURRY

Chairman of the Board
The Investors Group

Directors

C. E. ATCHISON

President
The Investors Group

Vice-President and Secretary
The Great-West Life Assurance Company

R. O. A. HUNTER

W. M. AULD

President
Bristol Aerospace (1968) Limited

E. H. MONCRIEFF

President

Standard Aero Engine Limited

MARCEL BÉLANGER, C.A.

Bélanger, Dallaire, Gagnon & Associes.

JAMES C. PARLEE

Senior Executive Vice-President
The International Nickel Company of
Canada, Limited

R. C. BROWN

Vice-President, Marketing
The Great-West Life Assurance Company

A. M. RUNCIMAN

President
United Grain Growers Limited

DONALD M. ELLIMAN

Executive Vice President
Marine Midland Grace Trust Company
of New York

RHYS M. SALE
Retired

C. A. GEOFFRION, Q.C. Geoffrion & Prud'homme

P. H. T. THORLAKSON, M.D.

Surgeon and President
The Winnipeg Clinic

SENIOR EXECUTIVE OFFICERS

D. E. KILGOUR

President

GEORGE AITKEN
Vice-President, Administration

R. C. BROWN Vice-President, Marketing

R. O. A. HUNTER

Vice-President and Secretary

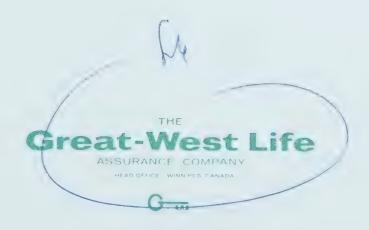
A. E. LOADMAN
Vice-President and Senior Actuary

G. C. ELLIOTT

Treasurer

F. A. L. MATHEWSON, M.D. *Medical Director*

EIGHTY-FOURTH ANNUAL GENERAL MEETING APRIL 28th, 1976



PROCEEDINGS OF THE ANNUAL GENERAL MEETING

The eighty-fourth Annual General Meeting of The Great-West Life Assurance Company was held in Winnipeg, Canada, on Wednesday, April 28, 1976, in accordance with the Notice of Meeting.

The following business was transacted:

- (1) The Report of the Board of Directors and the Company's Balance Sheet at December 31, 1975, the Statement of Surplus for the year and the related Summary of 1975 Operations were presented to and adopted by the meeting.
- (2) Dr. C. H. Hollenberg was elected as a Shareholders' Director of the Company to hold office for a term of two years, and the following persons were elected Directors of the Company to hold office for a term of three years:

Shareholders' Directors

C. E. Atchison

J. Blair MacAulay

E. H. Moncrieff

Policyholders' Directors

W. M. Auld Donald M. Elliman

(3) Price Waterhouse & Co. were reappointed as auditors of the Company to hold office until the next Annual General Meeting.

Election of Officers:

At a meeting of the Board of Directors following the Annual General Meeting, the following Directors were re-elected to their respective

Peter D. Curry — Chairman
J. W. Burns — President
A. S. Leach, O.C. — Vice-President

this meeting, Mr. Chairman, but was too busy. I suggest that's a good sign for the current year.

If Individual business results, then, could be classified as good, group new business in 1975 was superb, indeed it was at "very high speed". It represented, we felt, our feature story in 1975, and the Supplement to our Annual Report supports this.

The Company now has 37 Group Offices throughout Canada and the United States and all contributed to the total result in a meaningful way, — but there is only room at the top for one. The Toronto group office added \$11 million of new annual premium in 1975. A record by a wide margin for our Company.

It should be of interest to this meeting to have a very brief review of what is behind that impressive total. This single office, with some 15 staff, added 217 new group cases during the year, the largest of these was for \$3.5 million a year in premium, the smallest for \$8,000.

It was particularly gratifying in this outstanding record that an increasing amount of this business was produced by our own full-time agents. The fastest growing part of our business clearly is in the employee benefit area. We intend to place great emphasis throughout the Company to ensure that this market opportunity is shared by our own organization.

It is a pleasure for me to introduce the Manager of this leading office in a record year — Mr. John Andrew.

The scale of investment operations in the Company is at a level that we could not have imagined, even a few years ago. In 1975, over \$330 million was invested.

An increase in overall yield once again resulted, — from 7.25% as the report suggests in 1974 to 7.53% in 1975. The rate of improvement that we have seen these last few years, of course, will tend to slow and ultimately level off as a higher and higher percentage of total assets are invested, or reinvested at the higher rates that have prevailed in recent times.

A second important influence on yield will be our increasing direct ownership of income-producing real estate which tends to have lower yields in the early years. We consider this kind of investment, nonetheless, to be one of the best available vehicles for hedging policyholders' funds from inflation and still offering a

satisfactory asset match to the nature of our liabilities

In 1975, \$21 million was added to our direct real estate portfolio, which now totals some \$175 million, net depreciation and write-downs. An active program to increase holdings in this type of investment is being maintained—in direct holdings as mentioned and indirectly in such companies as Oxford Development Group Ltd.

In striving to protect the earnings margins in our operations, investment activities obviously play a key role. If life insurance investing was ever a passive "picking and choosing" amongst public offerings, it is no longer, and is better described in today's environment as the vigorous and creative pursuit of special situations and opportunities. It is more complex and much more demanding, but we can do no less for those who entrust us to manage their money.

Our most difficult and continuing problem, by far, lies in the area of operating expenses.

Salaries and related benefits constitute some 70% of our total expense, and you don't need me to tell you that the pattern of compensation in recent years has been ever upward. These rising costs have not been reflected in important segments of our products by rising prices to cover them.

Certain political utterances to the contrary, the free market system has worked to the consumer's benefit in the life insurance business, at least. Intense open competition has seen to this without the aid of any special or new government regulation. Such competition is a positive advantage to the consumer but, as we can testify, adds heavily to the problems of the supplier.

What is the solution to the burden imposed by escalating costs?

At Great-West Life, we have a healthy respect for what can be done in the private sector to solve problems, even of this heavy consequence. Clearly, things will have to change to accommodate the new realities, and our management mission is we feel clear: to find and develop new methods, products, and services that can meet both market and consumer standards, and the reasonable earnings objectives of policyholders, agents and employees, and share-

ADDRESS OF MR. J. W. BURNS, PRESIDENT

Mr. Chairman, Ladies and Gentlemen -

First, I will speak to the first quarter results approved and released by the Board of Directors of the Company at its meeting this morning.

Sales of life insurance and annuities for the three months were \$1 billion, \$100 million—some 23% above last year. Health insurance, in terms of gross annual premiums totalled \$199 million at March 31, an increase of 10% during the period, and some \$50 million, or 33%, ahead of the annualized premiums of the Company of March 31, 1975.

These volumes represent very encouraging starts, indeed, for 1976 and suggest a continuation of the sales momentum that you see in the Annual Report before you.

Net income for the quarter was lower than last year, and that part of income attributable to shareholders was \$1.25 per share compared to \$1.76 in 1975. The decline is accounted for almost entirely in the U.S. group health account where there was a rather sudden upsurge in medical expense claims. Such rapid changes have to be expected in our business and, at normal renewal dates, we would look for premium adjustments to compensate for them.

We have consistently cautioned against attaching undue significance to quarterly earnings of the Company. The record shows there are wide swings in these short timeframes, and we don't expect 1976 to be any exception.

We do expect a satisfactory earnings result this year, although our expectations must be tempered by these volatile, high-pressure times. We think that the final earnings figures, in the context of the economic environment, should not be disappointing to policyholders or shareholders.

I have a few specific comments that I wish to make about 1975 but, before doing so, it seemed timely to re-state the attitudes or perceptions that influence the ongoing management of this Company.

At the most fundamental level, we are optimistic about the future growth prospects for our products and services.

We see an ever-increasing public interest and acceptance — in fact, demand — for financial arrangements that protect the individual, his or her family, or business associates, — if they live too long, if they die too soon, or if they become disabled and cannot work.

Some of this demand, indeed, is satisfied by increasing levels of social insurance from government, but only some; and we perceive the total public requirement in both Canada and the United States moving ahead, at least as fast, if not faster, than can be provided by universal and compulsory methods.

The rather extraordinary growth in our operations in the employee benefit, or group field, I think is testimony to the demand to which I refer. We do not think that this rate of increase has, by any means, exhausted its full potential, so we conduct our affairs, and did so in 1975, on the basis that the prospects for expanding our kind of financial services are excellent.

The unique role that life insurance has played in the North American free market system is changing, to be sure, but it is still very much alive and well, and will be responsive to broad public need.

It is in the nature of our affairs, because we are a "people" business, that long-term achievement in a growing market can only be realized by continual and, on occasion, substantial investment in personnel. In effect, if we expect to capitalize on the excellent markets of 2, 3, or 5 years hence, we must recruit, train and expand today.

Apart from what one might call the normal personnel initiatives that have been our custom, the group and brokerage office expansion mentioned in my remarks at last year's Annual Meeting, was carried out in the United States under the direction of our Denver marketing headquarters.

This kind of program adds substantially to our current operating expenses and, in its early stages, contributes only modestly to premium and sales growth. So, while the positive impact is deferred for some years, we continue the program fully confident that its end result will compensate well for the current burden.

Following the pattern set a few years ago for

our American operations, there was established in Canada, towards the end of 1975, a separate headquarters for Canadian marketing operations. It is located in its own Winnipeg office facilities outside this Head Office building.

This further move to decentralize the marketing operations of the Company on a regional basis will sharpen our capacity to serve our Canadian field organization and our customers, present and future. Its very independence to find the ways and means to meet the ever tougher objectives of today's business environment will be the assurance, I believe, of its success.

Once again, we take these measures at added current cost because we feel certain they will better serve the Company's growth and earnings in the future, — and it is a future that we view optimistically.

If it is absolutely fundamental that we perceive our market potential as growing, and that our focus, therefore, is to invest in people and capacity, then it is equally basic that the management of that growth for satisfactory earnings is becoming harder, not easier.

While a high level of inflation tends to encourage sales — (for example, many group plans are directly related to employee wages), the same inflation will seriously impair many parts of our business, particularly those segments that have a fixed, long-term commitment or guarantee.

So, if sales prospects are excellent, unit margins are decreasing, and the business of managing our affairs to ensure adequate returns for policyholders and shareholders takes on much added complexity.

This kind of dilemma, of course, is shared almost universally in the private sector of the economy. I mention it here to affirm that the life insurance industry, generally, and this Company as part of it, cannot escape the negative impact that continuing high levels of inflation bring to bear.

However, during the last 5 years or so, the individuals working at Great-West Life have improved their productivity at a rate almost sufficient to offset the rate of inflation in the Canadian economy. This quality of performance is basic, we feel, to our financial commitment to our customers. It is also

essential if we are to maintain our position as an important exporter of financial services. Regrettably, productivity gains cannot be maintained forever, and no exporter, Great-West Life included, can long tolerate higher inflation rates at its home base than in its export market.

In summary, the situation, and our perception of it, can be characterized as having positive signs of continuing, rather dramatic, growth and by heavy pressure on per unit earnings margins. The economic environment which lies behind this situation dictates moving quite fast just to stay in the same place, and with considerable speed to move ahead in real terms. I would like to make my few remarks that supplement the Annual Report of 1975 in this general context. It is fair to conclude, I believe, that operations in 1975 were, in fact, "at considerable speed". Total premiums increased 15% over 1974, which was a good year in itself.

Adding investment income, which was 15% higher, you have total income well ahead of any inflation deflator.

We had quite satisfactory results in new individual business during the year, with increases in both Canada and the United States.

While a 15% increase in Individual Sales does not appear overly dramatic if considered in isolation, it does represent very solid achievement when measured against Individual business results for the life insurance industry in North America, as the industry results were close to flat for 1975 against 1974. The quality of our sales organization in this Company has never been in doubt and, once again, our agents and field managers proved it.

There were some outstanding individual achievements in the field, most notably Sandy Lenenberg, who represents the Company as a personal producer in the city of Pittsburgh. His volume of sales in 1975 far surpassed anything ever seen in this Company, — some \$15 million of volume credits.

In a sales organization, a leader leads by showing what is possible to be done, and Sandy Lenenberg has, I am sure, single-handedly lifted the sights of the over 1,000 men and women who represent the Company in the field in North America. He was invited to take a bow at

These are things we can try to do something about, but the final solution is not entirely in our hands.

The Conference Board in Canada showed in a recent study that close to one of every two jobs in all of Canada's goods-producing industries depends fairly directly on Canada-United States trade. This ratio applies exactly to our Company. To be specific, one out of two jobs in this building, some 600 people, depends on our capacity to compete in the United States. I have already said that no organization can export excessive inflation for long.

It seems clear to me that most unions and most managements in the private sector in this country have recognized the facts and are responding to the need for restraint. While governments say they want to control inflation, the record so far leaves serious question about their commitment.

This seems further supported by Mr. Pepin's admission just yesterday that certain segments of government operations and spending have, in fact, not been committed to Anti-Inflation Board restraint. It's like putting full brake on one wheel of a two-wheeled cart — the thing just goes around in a circle.

Budget increases of 15% to 20% for essentially the same level of services can hardly be considered a serious attempt to control spending. When one considers that governments in total spend nearly half the Gross National Product, it is easy to see why such uncontrolled expense levels in the public sector result in such punitive taxes — taxes which strike at all working Canadians, not just the top 5%; taxes which seriously erode the capacity of the private sector to be effective at home and competitive abroad.

There is only one answer in my view—a much greater discipline on the part of government. Otherwise Canadians face the serious prospect of widespread unemployment at even higher levels than presently prevail.

We are committed here to continued improvement in performance and productivity within our own affairs. We also feel, as responsible citizens, we must continue to draw attention to the consequences of excessive spending in the public sector — Federal, Provincial and Municipal, alike. There is still a long way to go in the Canadian anti-inflation program. It is our duty to keep the pressure on.

Mr. Chairman, my purpose was to supplement the financial figures for 1975 with brief comment about some of our problems and some of our opportunities. It was our 84th year. I hope the record for 1975 and the preceding 83 years shows this meeting that Great-West Life copes with its problems, and seizes its opportunities.

Thank You.





Notice of Annual General Meeting

To the Shareholders:

Notice is hereby given that the Annual General Meeting of The Great-West Life Assurance Company will be held at the Head Office of the Company, 60 Osborne Street North, Winnipeg, on Wednesday, April 23, 1980, at three o'clock in the afternoon for the following purposes:

- (1) to receive the Report of the Directors for the year ended December 31, 1979;
- (2) to elect Directors of the Company and to appoint Auditors;
- (3) to transact such other business as may be properly brought before the meeting.

By Order of the Board

R. K. SIDDALL

Vice-President and Secretary

Winnipeg, Canada March 28, 1980

If you are unable to attend the meeting, you are requested to complete the enclosed form of proxy and return it in the envelope provided.

Information Circular

This Information Circular is being furnished in connection with the solicitation of proxies by the Management of The Great-West Life Assurance Company (the Company) to be used at the Annual General Meeting (the Meeting) of the Company to be held April 23, 1980.

Voting Shares

The authorized capital of the Company consists of 2,000,000 common shares of \$1 par value each, all of which are fully paid and outstanding. Pursuant to the provisions of the Canadian and British Insurance Companies Act, each shareholder is entitled to the number of votes which equals the quotient obtained by dividing the total par value of the shares held by five. Accordingly, the aggregate number of votes which may be attached to the outstanding shares is 400,000.

The record date for determining the shareholders entitled to vote is the date of the Meeting, namely April 23, 1980.

1,915,212 shares, being 95.8% of the outstanding shares of the Company, are beneficially owned by The Investors Group and its subsidiary companies. Power Corporation of Canada, Limited, through wholly-owned subsidiary companies, has voting control of The Investors Group. Mr. Paul Desmarais has voting control, through associates, of Power Corporation of Canada, Limited.

Election of Directors

J. Blair MacAulay
Paul Britton Paine, O.C.

The Board of Directors consists of two classes of directors, namely, shareholders' directors elected by the shareholders and policyholders' directors elected by the participating policyholders.

There is an Executive Committee and an Audit Committee of the Board of Directors consisting of the following members respectively:

Executive Committee	1	Audit Committee
Peter D. Curry, Chairman		Marcel Bélanger, O.C., C.A., Chairman
J. W. Burns		W. M. Auld
R. G. Graham		John A. Love
C. H. Hollenberg, M.D.		A. M. Runciman
R. O. A. Hunter		
R. H. Jones		
K. P. Kavanagh		

The General By-Law of the Company provides that the directors shall hold office for a term of three years or such lesser term as may be prescribed by the terms of their election provided that, as nearly as may be, one-third of the directors shall retire each year. At the forthcoming Meeting, there are four shareholders' directors and two policyholders' directors to be elected.

The shareholders' directors and policyholders' directors retiring are:

Shareholders' Directors	Policyholders' Directors			
J. W. Burns	John H. Coleman			
Peter D. Curry	C. H. Hollenberg, M.D.			
John A. Love	A. S. Leach, O.C.			
E. H. Moncrieff				
Paul Britton Paine, O.C.				

With the exception of Messrs. A. S. Leach, O.C. and E. H. Moncrieff who are retiring from the Board of Directors after many years of distinguished service, the retiring directors will be nominated for reelection. They will be nominated for a term of three years, except for Mr. John A. Love and Mr. John H. Coleman who will be nominated for a term of two years.

It is not contemplated that any of the nominees will be unable to serve as a director but if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion.

Information as to the six nominees and the directors continuing in office is as follows:

SHAREHOLDERS' DIRECTORS		Date on which present term of	Number of shares	
To be nominated for re-election	Director Since	office expires	owned	
J. W. Burns, Chairman of the Board, The Great-West Life Assurance Company; President, Power Corporation of Canada, Limited, an investment management and transportation company, Montreal	March 17, 1971	April 23, 1980	250	
Peter D. Curry, Deputy Chairman, Power Corporation of Canada Limited, an investment, management and transportation company, Montreal	February 7, 1967	April 23, 1980	250	
John A. Love, President and Chief Executive Officer, Ideal Basic Industries, Inc., engaged in the production and sale of cement and potash, Denver, Colorado	February 23, 1977	April 23, 1980	250	
Paul Britton Paine, Q.C., Chairman of the Board and President, Montreal Trust Company, a trust company, Montreal	June 17, 1970	April 23, 1980	250	

Directors continuing in office	Director Since	Date on which present term of office expires	Number of shares owned
Paul Desmarais, Chairman and Chief Executive Officer, Power Corporation of Canada, Limited, an investment, management and transportation company, Montreal	August 24, 1977	April 22, 1981	250
R. H. Jones, President and Chief Executive Officer, The Investors Group, a financial company, Winnipeg	September 15, 1971	April 22, 1981	250
K. P. Kavanagh, President and Chief Executive Officer, The Great-West Life Assurance Company, Winnipeg	November 22, 1978	April 22, 1981	250
J. Blair MacAulay, partner, Fraser & Beatty, barristers and solicitors, Toronto	May 20, 1970	April 28, 1982	250*
A. V. Mauro, Q.C., Executive Vice-President, The Investors Group, a financial company, Winnipeg	April 26, 1978	April 28, 1982	250

^{*}Mr. MacAulay is one of a number of contingent beneficiaries of a testamentary trust that directly or indirectly owns 1490 shares of the Company.

**POLICYHOLDERS' DIRECTORS

**POLICYHOLDERS' DIRECTORS	D	Date on which present term of
To be nominated for re-election	Director Since	office expires
John H. Coleman, President, J.H.C. Associates Limited, financial consulting, Toronto	March 17, 1971	April 23, 1980
C. H. Hollenberg, M.D., Professor and Chairman, Department of Medicine, University of Toronto, Toronto	May 25, 1975	April 23, 1980
Directors continuing in office		
W. M. Auld, President, Bristol Aerospace Limited, engaged in aerospace manufacturing, Winnipeg	February 4, 1969	April 28, 1982
Marcel Bélanger, O.C., C.A., Président, Gagnon et Bélanger Inc., management consultants, Québec City	February 1, 1966	April 22, 1981
Donald M. Elliman, Vice-President, Council for Financial Aid to Education, Inc., an institution to promote aid to higher education, New York	June 8, 1960	April 28, 1982
R. G. Graham, President, Inter-City Gas Limited, engaged in the production and distribution of gas and related products, Winnipeg	January 25, 1977	April 28, 1982
R. O. A. Hunter, Company Director, Winnipeg	February 4, 1969	April 22, 1981
A. M. Runciman, President, United Grain Growers Limited, grain merchants, Winnipeg	February 7, 1967	April 22, 1981

^{**} By law, a policyholders' director is not permitted to be a shareholder.

Directors' and Officers' Remuneration from the Company and its Subsidiaries Nature of Remuneration

Dubbana		1100000		
	Aggregate Remuneration	Pension Benefits	Retirement Benefits	
 Directors (16) (a) from the Company and wholly-owned subsidiairies: 	\$ 136,622	Nil	Nil	
(b) from partially-owned subsidiaries: (Harriott & Associates of Canada (1974) Limited and Gold Circle Insurance Company Limited)	\$ 3,550	Nil	Nil	
2. 5 Senior Officers	\$ 468,333	\$ 35,219	Nil	

	No.	iture of Kemuneration -	
	Aggregate	Pension	Retirement
3. Officers (21) Receiving Over \$50,000 (including the 5 Senior Officers)	Remuneration	<u>Benefits</u>	Benefits
(a) from the Company and wholly-owned subsidiaries:	\$1,484,936	\$105,651	Nil
(b) from partially-owned subsidiaries:	Nil	Nil	Nil
TOTALS (of items 1 and 3)	\$1,625,108	\$105,651	Nil

The aggregate direct remuneration paid or payable by the Company to all directors and senior officers of the Company during the year ended December 31, 1979, was \$1,654,545 and by subsidiaries whose financial statements are not consolidated with those of the Company \$5,050.

Pursuant to an incentive plan for senior officers, awards may become payable annually contingent upon the attainment of certain earnings levels during the preceding five-year period. During the year ended December 31, 1979, aggregate payments of \$657,021 were made to the senior officers participating in the plan.

The aggregate of all other remuneration payments proposed to be made in the future is \$20,000 per year commencing not earlier than 1985, and payable during the lifetime of the recipient or, if commencing at a later date, the actuarial equivalent thereof.

Proxy Statement

The persons named in the enclosed form of proxy are shareholders' directors of the Company. A shareholder wishing to appoint some other person to represent him at the Meeting may do so either by inserting such person's name in the blank space provided in the form of proxy and striking out the other names, or by completing another form of proxy.

In either case, the person so appointed must himself be a shareholder entitled to vote, and to be valid, the form of proxy must be filed with the Vice-President and Secretary of the Company at least ten days prior to the date of the Meeting. A form of proxy filed with the Vice-President and Secretary may be revoked at any time before it is exercised. Proxies are being solicited by Management and the cost thereof is being borne by the Company.

The persons named in the enclosed form of proxy will vote the shares represented by the proxy for the election as shareholders' directors of the persons designated in this Information Circular as nominees for such office and for the appointment of Price Waterhouse & Co. as auditors of the Company.

Other Business

The Management does not know of any other matters to come before the Meeting other than those referred to in the Notice of Meeting. However, should there be amendments or variations to such matters or should any other matters properly come before the Meeting, the persons named in the proxies received shall have discretionary authority to vote in accordance with their best judgment on all such matters.



AR33

GREAT-WEST LIFE

for further information call:

FORWARDED FROM
TORONTO TO
KASLO;
RECEIVED
NOW 12, 1982

Susan Nelson Manager, Communications (204) 946-9705

GREAT-WEST LIFE ANNOUNCES REORGANIZATION

Winnipeg, October 14, 1982 . . . The Great-West Life Assurance Company has announced a company-wide reorganization of its operations.

The company is now organized into Corporate, Canadian and U.S. operations. The company's U.S. and Canadian operations will now be conducted through two divisions, Individual and Group, in each country.

This reorganization is the result of the completion of the company's regionalization of marketing, product design, pricing, benefit payments and client service functions for individual and group product lines, into U.S. and Canadian operations.

"Regionalization opened the way for us to improve integration and co-ordination within our product lines," says Mr. K.P. Kavanagh, President. "We're taking advantage of the opportunity to strengthen our capabilities to understand marketplace shifts and to respond with prompt and effective action."

As a result of the reorganization, the following appointments have been announced:

In Canada:

Mr. J.D. Green, FSA, assumes overall responsibility for regional operations as Senior Vice-President. Canada.

Mr. C.D. Chapman, FSA, has been appointed Vice-President, Individual, and assumes responsibility for all aspects of the individual product line in Canada, including marketing.

Mr. J.R. Grant, FSA, has been appointed Vice-President, Group, and assumes responsibility for all aspects of the group product line in Canada.

Mr. R.S. Abbott, CLU, has been appointed Vice-President, Marketing Development and will be working towards adapting Great-West Life's newly integrated organization to opportunities presented by the marketplace. He will be associated with Mr. Green.



Mr. W.L. Benson, Vice-President, Group Major Accounts, will continue to direct full-time attention to the Canadian major group case market. He will be associated with Mr. Green.

In the United States: Mr. O.T. Dackow, FSA, continues as Senior Vice-President, United States, with overall responsibility for regional operations.

Mr. W.T. McCallum, FSA, has been appointed Vice-President, Individual, and assumes responsibility for all aspects of the individual product line in the United States, including marketing. Mr. A.G. Carmichael, FLMI, will continue as Vice-President, Individual Operations and will assume responsibility for licensing, contracting and reporting functions. He will be associated with Mr. McCallum.

Mr. A.D. MacLennan, FSA, has been appointed Vice-President, Group. He assumes responsibility for all aspects of the U.S. group product line, including marketing.

Mr. H.K. McVicker, CLU, CPCU, has been appointed Vice-President, Marketing Development. He will initially be responsible for expansion of the product array and markets available to Great-West Life's sales organization. He will be associated with Mr. Dackow.

In 1982, Great-West Life has introduced The Living Life Insurance Policy, a unique universal life policy, to the Canadian market. As well, the company has updated its disability income products, the Preferred Earnings Protector and the Preferred Income Protector, in both Canada and the United States. The company's activities in the U.S. market in 1982 include introduction of MAXIM, a variable annuity; Life at 90, a competitively priced whole life product; and EDGE, a non-refund group product for groups of 25 to 150.

Great-West Life is an international life insurance company, with offices across North America. It has more than \$71 billion of life insurance in force, ranking it in the top one percent of life insurance companies in North America. The company's headquarters is located in Winnipeg, Manitoba, and its U.S. headquarters is in Denver, Colorado.



FROM

AR33

GREAT-WEST LIFE

for further information call:

Susan Nelson Manager, Communications (204) 946–9705

Read Jan 25, 1983

GREAT-WEST LIFE INTRODUCES REVOLUTIONARY COMPENSATION SYSTEM

Winnipeg, January 24, 1983 -- Great-West Life has introduced a new concept in compensation to its Canadian field force; one that addresses consumer concerns about the influence of commissions on products sold, as well as the changing nature of the marketplace.

Called the Gold Key Financial Practice, this approach pays sales representatives consistent commissions across all product lines and guarantees service to clients over the lifetime of their coverage.

"The new system benefits both the client and the agent," says John MacGowan, Director of Marketing. "First, with uniform rates it makes no difference to the agent what product the client purchases. Second, if for any reason the client isn't satisfied with the service provided, another agent can take over servicing, and he or she will be compensated for that work."

The Gold Key Financial Practice also allows agents to build equity in their insurance business over a career, in effect building a professional "practice".

"The Gold Key Financial Practice gives agents flexibility, control and tangible results from a career in the life insurance industry," says MacGowan. "It recognizes the work an agent puts into building a clientele, and in servicing clients over the lifetime of their contracts."

At retirement, a Great-West Life agent will have the opportunity to transfer or sell his or her block of business to another agent or agents, ensuring continuing service to the client.

"What we're supporting," says MacGowan, "is the further development of a sales force with a lifetime interest in serving the consumer. Our agents can, in effect, be business owners with the resources of a major insurance company behind them and their customers."

. . . 2



The Gold Key Financial Practice is the second major initiative Great-West Life has announced within the past year. In May, 1982 the company introduced The Living Life Insurance Policy, a universal life product offering clients flexibility, current interest rates, and full disclosure of the fees charged.

With Living Life, clients can increase or decrease their insurance amount and premium payments. Clients annually receive a detailed report on where each premium dollar has gone throughout the year, and have the opportunity to review how the policy is performing against their evolving insurance goals.

The Great-West Life Assurance Company ranks among the top one percent of more than 1800 life insurance companies in North America. In 1982, its life insurance in force topped \$72 billion. The company has offices across North America.





AR33

GREAT-WEST LIFE

for further information call:

Susan Nelson Manager, Communications (204) 946–9705

FEB 4, 1983

GREAT-WEST LIFE REPORTS GENERAL IMPROVEMENT IN TOTAL SALES

Winnipeg, January 25, 1983 . . . The Great-West Life Assurance Company has reported that the year 1982 was marked by a generally improving trend in total sales. The persistence of volatility in interest rates and a high level of inflation in the health care field in the United States, however, placed continued pressure on earnings. The 1982 results reflect United States dollar transactions converted at \$1.15 Canadian and 1981 operating results have been restated for comparative purposes.

Life insurance business in force increased 10% to \$74,874,206,000 of which 59% was in Canada and 41% in the United States. Annuity business in force, measured by the value of funds held, totalled \$4,124,866,000, up 22%, with Canada representing 55% and the United States 45%. Health insurance in force, in terms of gross annual premiums, increased 14% over the previous year and totalled \$888,062,000 at December 31 with 37% and 63% in Canada and the United States respectively.

Measured by the amount of protection provided, sales of life insurance amounted to \$11,777,218,000, an increase of 21% over the record established in 1981. Sales in Canada accounted for 49% of the total and, in the United States, 51%. Annuity sales of \$785,504,000 of revenue premiums were up 23% with increases of 19% in Canada and 29% in the United States. Health insurance sales, expressed in terms of gross annual premiums, totalled \$211,021,000, up 21% over 1981. Canadian sales represented 20% of this amount and United States sales 80%.

Premium income, representing both new sales and premiums paid on policies issued in previous years, advanced 10% to \$1,708,437,000.

Net investment income increased 14%.

Amounts paid or credited to policyholders and to their beneficiaries, including surrenders, amounted to \$2,094,176,000 during the period. Of this total, dividends to policyholders accounted for \$56,628,000.

...2



Life insurance claims experience for individual policies in both Canada and the United States was more favorable when compared with that of the previous year. Claims experience for group life policies was largely unchanged in Canada and more favorable in the United States than in 1981.

In the participating policyholders' account, net income from operations before policyholder dividends was \$70,481,000, down 5% from the previous year, with a continuing high rate of surrenders the most significant factor contributing to the result. After policyholder dividends of \$56,628,000 and a charge of \$2,431,000 for other items, \$11,422,000 was carried forward to the participating policyholders' surplus account. After a charge for other items of \$6,769,000 the comparable figure for 1981 was \$10,642,000.

Net income from operations attributable to shareholders was \$36,841,000 or \$18.42 per share compared with \$28.39 per share in 1981. The main factors adversely affecting earnings were a deterioration in the results of the group health insurance line of business and of the annuity lines of business in the United States. Including other items of \$4,384,000, net income to shareholders was \$20.61 per share. After a charge of \$12,011,000 for other items in 1981, net income to shareholders for the previous year was \$22.39 per share.

Other items in 1982 in both the participating policyholders' and shareholders' accounts included gains from the conversion of United States dollar net assets at the beginning of the year to Canadian dollars, and from profits on the sale of assets. Similarly, both accounts incurred charges arising from net write-down of assets, net losses from subsidiary companies and special increases in policy reserves. An adjustment in prior years' income tax resulted in a charge against the participating policyholders' account and an addition to the shareholders' account.

At the same meeting, the Directors approved the payment of a quarterly dividend of \$2.50 per share on March 1 to shareholders of record at the close of business February 14.



3 FROM

GREAT-WEST LIFE

for further information call:

Susan Nelson Manager, Communications (204) 946-7705

GREAT-WEST LIFE REPORTS 1983 RESULTS

Winnipeg, January 24, 1984 . . . The Great-West Life Assurance Company has reported that the year 1983 was marked by encouraging strength in the economies of both Canada and the United States, a return to a measure of stability in financial markets and resurgence in customer preference for permanent cash value life insurance. Although the high level of inflation in health care costs persisted and mortality experience was less favorable, more normal levels of profitability were attained and earnings attributable to both participating policyholders and shareholders increased.

Life insurance business in force increased 9% to \$81,845,683,000 of which 62% was in Canada and 38% in the United States. Annuity business in force measured by the value of funds held totalled \$4,785,530,000, up 16%, with Canada representing 53% and the United States 47%. Health insurance in force, in terms of gross annual premiums, decreased 1% from the previous year and totalled \$880,106,000 at December 31 with 43% and 57% in Canada and the United States respectively.

Sales of life insurance amounted to \$13,023,809,000, an increase of ll% in the amount of protection provided and 16% in the amount of new premium sold. Increases in new premium sold were particularly evident in individual life insurance which was up 47% over 1982. Sales of protection in Canada accounted for 55% of the total and, in the United States, 45%. Annuity sales of \$694,990,000 of revenue premiums were down 12% with 46% in Canada and 54% in the United States. Health insurance sales, expressed in terms of gross annual premiums, totalled \$138,253,000, down 34% from 1982 due to rate action which was successfully introduced to restore profitability to the United States group line of business. Canadian sales represented 38% of this amount and United States sales, 62%.

Premium income, representing both new sales and premiums paid on policies issued in previous years decreased 6% to \$1,601,316,000.

Net investment income increased 11%.

Amounts paid or credited to policyholders and to their beneficiaries amounted to \$1,988,711,000 during the period. Of this total, dividends to policyholders accounted for \$59,723,000, an increase of 5%.

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Life insurance claims experience for individual and group policies in both Canada and the United States was less favorable when compared with that of the previous year although quite acceptable in the context of long term expectations.

In the participating policyholders' account, net income from operations before policyholder dividends was \$74,743,000, up 6% over the previous year. After policyholder dividends of \$59,723,000 and including other items of \$2,297,000, the amount of \$17,317,000 was carried forward to the participating policyholders' surplus account. After a charge for other items of \$2,431,000, the comparable figure in 1982 was \$11,422,000.

Net income from operations attributable to shareholders was \$55,492,000 or \$27.74 per share compared with \$18.42 per share in 1982. The main factors affecting earnings were improvements in the Canadian individual annuity line of business and the group life and health insurance line of business, in the United States. Including other items of \$7,152,000, net income to shareholders was \$31.32 per share. Including other items of \$4,384,000, net income to shareholders for the previous year was \$20.61 per share.

Other items in 1983 in both the participating policyholders' and shareholders' accounts included profits on the sale of assets and gains from adjustments to policy reserves. Similarly, both accounts reflect a provision for prior years' income taxes and net losses from subsidiary companies.

At the same meeting, the Directors approved the payment of a quarterly dividend of \$3.00 per share on March 1 to shareholders of record at the close of business February 15.



AR33

GREAT-WEST LIFE

for further information call:

Susan Nelson Manager, Communications (204) 946-7705

Reco July 30, 1983

GREAT-WEST LIFE ANNOUNCES SIX MONTHS' RESULTS

Winnipeg, July 26, 1983 . . . Net income from operations for the first six months of 1983 of \$29,429,000 has been reported by The Great-West Life Assurance Company following a meeting of the Company's Board of Directors held today. Including other items of \$1,531,000, net income for the period was \$30,960,000.

Sales of life insurance coverage totalled \$3,874,209,000, a decrease of 15% and annuity sales of \$358,221,000 of revenue premiums were down 20%. The prior year results included a number of large group cases. Health insurance sales in terms of gross annualized premiums amounted to \$44,414,000, a decrease of 49%, due in large part to the effect of rate action to restore profitability to the line.

Premium income, which represents both new sales and premiums paid on policies issued in previous years, decreased by 10% while net investment income increased 15%.

Amounts paid or credited to policyholders and beneficiaries, excluding policyholder dividends, totalled \$1,002,574,000 during the first half. Dividends to policyholders totalled \$28,265,000 compared with \$28,726,000 for the first six months of 1982. Mortality experience for both individual and group insurance continued to be less favorable than a year ago.

Net income from operations attributable to shareholders was \$22,021,000 representing \$11.01 per share compared with \$7,601,000 representing \$3.80 per share for the first six months of 1982. Including other items of \$1,440,000, net income to shareholders was \$11.73 per share compared with net income of \$4.60 a year ago.

The net income attributable to participating policyholders, after policyholder dividends of \$28,265,000 and including other items of \$91,000, was \$7,499,000 compared with \$8,577,000 for the first six months of 1982.

At the same meeting, the Directors approved the payment of a quarterly dividend of \$2.75 per share on September 1, 1983 to shareholders of record at the close of business August 16, 1983, representing an increase of \$0.25 per share in the quarterly rate. A 15% withholding tax is applicable to dividends paid to non-residents.



AR33

Address by K.P. Kavanagh, President and Chief Executive Officer Great-West Life Annual Meeting
April 25, 1984
Winnipeg, Manitoba

The financial statements now before this meeting record progress in several major areas of Company operations.

Most notable, of course, was significant improvement achieved in total Net Income -- compared to 1982 during which we continued to experience the impact of very high health insurance claims and turbulent interest rates.

The screen to my left summarizes these results.

Total net income before policyholder dividends was \$109.2 million in 1982 with \$68 million in the policyholder account and \$41 million in the shareholders' account.

In 1983, net income moved to \$139.5 million, up 27% from the prior year, with gains being made in both the policyholder and shareholder accounts.

To present a longer term perspective, net income for 1978 is shown at \$86 million -- revealing a 5 year average growth rate of 93% and 11% for policyholders and shareholders, respectively.

I would note as well that during this 5 year period, 72% of policyholder earnings were paid in dividends -- in total \$271 million. In consequence I have no hestitation in telling you that the net cost of insurance for our participating policyholders continues to be one of the very lowest in our industry.

Then I would add, though it is not shown on the screen, that for the first quarter of 1984 net income was at \$39.9 million, up from \$23.1 million a year ago. This result was substantially influenced by an adjustment of U.S. Currency from \$1.15 to \$1.20 Canadian. It is helpful, therefore, to view first quarter net income with so-called "Other Items" excluded and in these terms net income was \$27.6 million compared to \$22.9 million a year ago.



A major factor in the recovery of total net income in 1983 was a turn around in our United States Health Insurance line of business.

In 1982 total net income for U.S. Group operations was at \$5.4 million, an unacceptably low figure.

In 1983, this result moved up to \$23.0 million.

This turn around was accomplished by re-design of various of our health insurance products and by substantial premium rate increases. These activities significantly reduced new health insurance sales and the renewal of in-force business — in the shorter range of 1983. We now believe that we are repositioned in our United States health insurance business to resume a pattern of profitable growth.

This major drive to strengthen the profitability of our United States Group Health line and the consequent effect on sales, is much present in the total sales results for the year.

Here then, on the screen, are the sales results aggregated for Canada and the U.S. and for both 1983 and the first quarter of 1984.

Life insurance, up by 11%, reflects major gains in Canada offset by reduced sales in the United States.

Health at 34% lower than 1982 reflects again, reduced sales in the U.S.

And annuity at 12% lower largely reflects the impact of not duplicating one very major case sale achieved in 1982.

Finally, first quarter 1984 gains of 6%, 151% and 37% reflect, for the greatest part, resumption of significant sales growth in the United States and in the Group Insurance line particularly.

The end result of our sales and service endeavours throughout the many parts of our Company is, of course, to build successfully our in-force and asset base.



In terms of life insurance protection, in the five year period since 1978, we have moved from \$38.4 billion to \$81.8 billion for an average annual gain of 16.3%. In 1983 our growth was 95% and 4% in the first quarter of 1984.

In the area of Annuity funds held we have grown from \$1.8 billion in 1978 to \$4.8 billion in 1983 for an average of 21.4% -- with 17% being recorded in 1983 and 6% in the first quarter of 1984.

In terms of health insurance premium, the average gain in the period since 1978 was 19% -- including marginal reduction experienced in 1983. In the first quarter, just concluded, a 3% gain was achieved.

Finally, in assets we have grown from \$3.7 billion in 1978 to \$7.8 billion in 1983 -- an average of 16.1% in the 5 year period, with 13% recorded in 1983 and 6% in the first quarter of 1984.

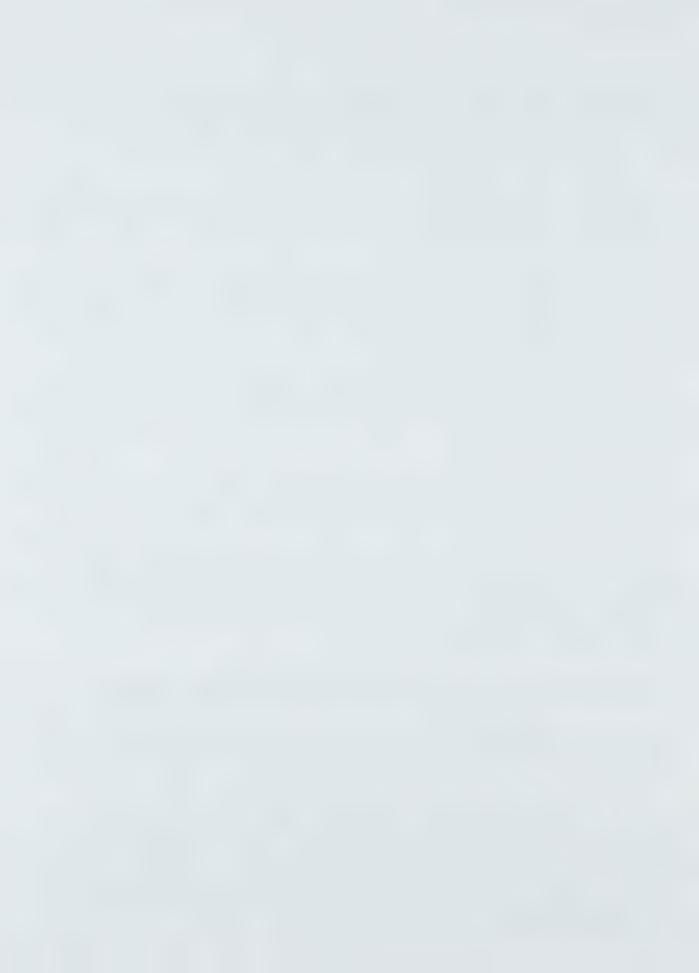
So much for the past. What about the present and the way ahead? Let me share with you our lines of strategic emphasis for the current period.

First of all, and as a fundamental, it is the conviction of Great-West management that the Canadian and United States markets now differ substantially and that change of unprecedented scope is taking place in each country. To this end the major themes of current strategy are:

Development of separate U.S. and Canadian operational organizations.

After a three year transition phase, 1983 marked the first full year in which operations, for each country, have been managed in each of Denver and Winnipeg.

While this development has had considerable significance for Canadian operations, by far the most visible and stressful impacts have been in our U.S. operations. I am pleased therefore to report that our U.S. operations are beginning to mature as a fully integrated organization. The overall content of inexperienced personnel is now much reduced and our relocated "Winnipegers" are well acclimated to their entirely new environments.



We believe that the substantial improvement in United States net income achieved in 1983 and the encouraging gains in their first quarter sales evidences the beginning of the results sought in this major move.

Intensive New Product Development

On the screen you will find a characterization of the impact that new product is now effecting. While change has been much present in our Group Insurance and Pension lines, I have illustrated the impact in our Individual Life lines where the result is particularly vivid.

In each of the first quarters of 1983 and 1984, we have broken our aggregated U.S. and Canadian sales into three categories:

- * Conventional Whole Life
- * Term Life Insurance
- * New Design Whole Life

In the aggregate we see a substantial gain resulting in the 1984 first quarter -- on the basis of new annualized premium -- up from \$5 million to \$9.7 million.

While the upward trend of new sales is encouraging, the expansion in sales of new product, brought on stream in 1982 and 1983, is dramatic. Perhaps this result might be best conveyed by observing that 75% of first quarter Individual sales were through products that had not been introduced to our field organization 20 months ago.

This new wave of individual products started with the introduction of Universal Life, trade—named Living Life, for the Canadian market in mid—1982. Subsequently Living Life was modified in 1983 to enable coverage of up to 10 people in one contract to facilitate the insurance of business partners and indeed varied members of a family. In tandem with these Canadian developments, four new products have been introduced in the United States — two Universal Life products, one designed for payroll deduction sales and another for direct sale, and two further products incorporating features of particular interest to the business insurance market.



We will continue to give heavy emphasis to the evaluation of changing customer needs and meeting them with new products.

Growth Distribution Capacity

However much change we experience or indeed whatever variations there may be as between the United States and Canadian markets, we view growth in our agency organization as fundamental to our progress.

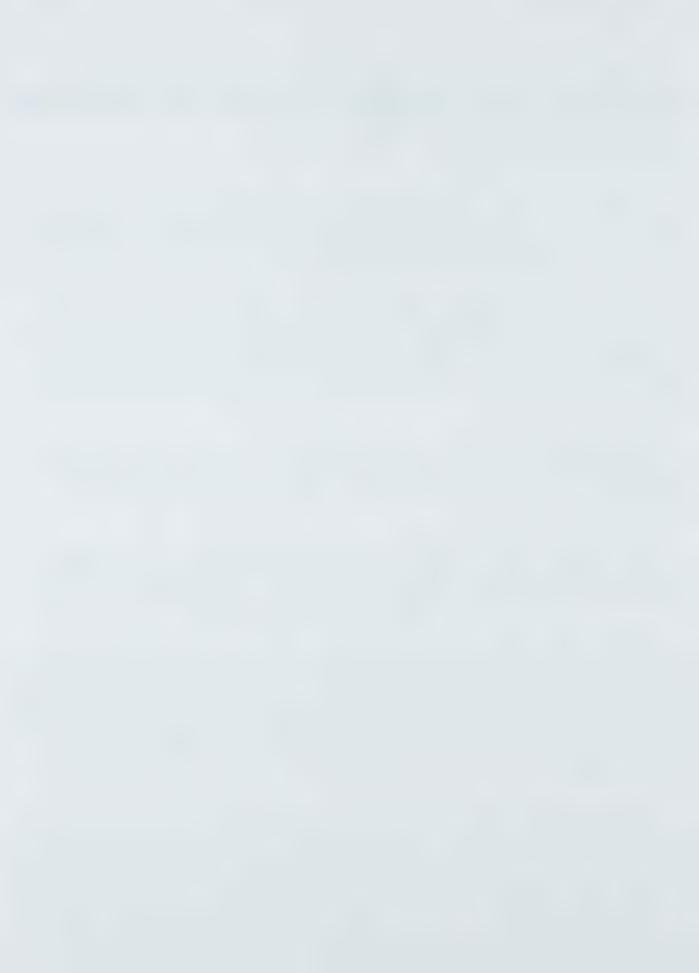
For that reason, 1983 was a year in which we particularly sought to achieve growth in our agency organization through the appeal of our new product line. The net consequence is that the total number of agents with a full-time or primary association with Great-West, grew to a total of 1140, up from 903 at the end of 1982.

Beyond growth in our agency sales organization, however, we have sought to build distribution by making certain of our products available to other organizations.

For a number of years we have followed this course through our associated company, Investors Syndicate Limited, which because of its financial planning orientation employs certain products of Great-West manufacture.

In 1983, representatives of Investors sold to their customers 4,840 individual life, health and annuity policies. This result reflected an increase over 1982, of roughly one third and accounted for 11% of the 42,000 individual policies issued by Great-West in Canada, in 1983. We view the accelerating rise of insurance and annuities by this outstanding sales organization as a most positive trend for Great-West itself.

Then I would report that in recent months arrangements have been completed for Great-West to provide individual Disability Income products for the representatives of Kansas City Life in the United States and of Manufacturers Life in Canada. Both companies seek to diversify and extend the range of financial services provided by their representatives and we are very pleased indeed to have been chosen by them to provide our expertise in this particular area and to gain the opportunity for growth in our distribution capacity.



Further growth in our distribution capacity will be given much attention in the period ahead.

Asset/Liability Matching

While it is an understatement to record that we do not view with enthusiasm a return to the instability of interest rates experienced in 1980 through 1982, much attention has been and continues to be given to that possibility, by our investment officers. In consequence, measures of balance sheet restructuring have been undertaken and new procedures have been developed to better reflect in investment programming the character and duration of the liabilities we assume with respect to the financial products we sell.

While we will retain our traditional orientation for undertaking and managing investment risk, we will seek growing liaison between our lines of business and our investment operations.

Computerization

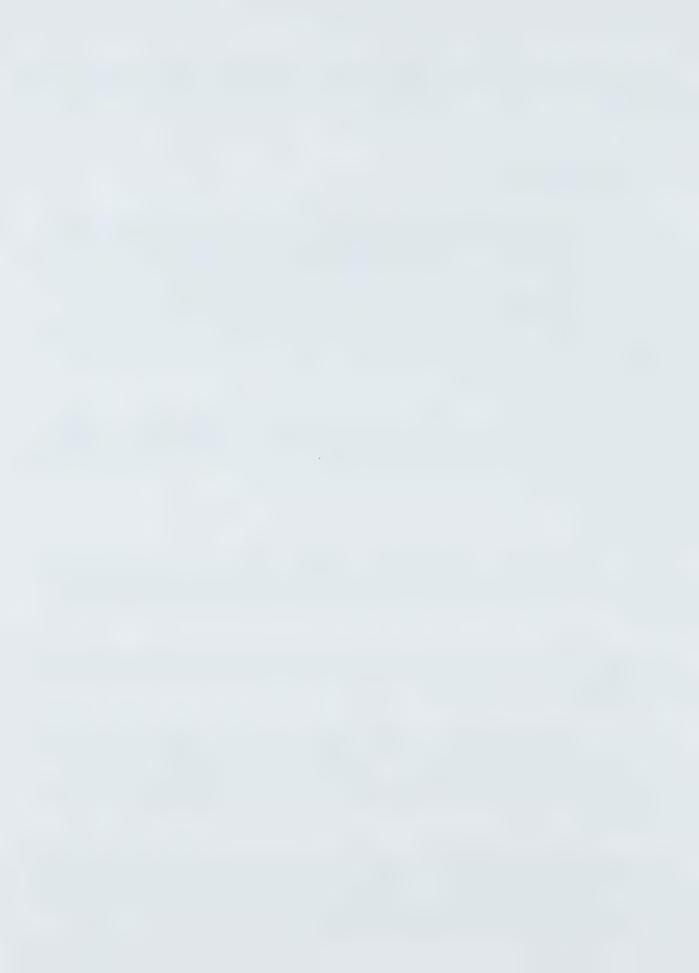
To the end of gaining in productivity and meeting the growing requirements of our policyholders, much attention has been directed to the computerization of our Company.

Two state of the art, major systems have been developed and introduced as part of this strategy.

In 1981, a new group health insurance claims adjudicaton system was introduced in 7 of our 22 group claims offices in the United States and Canada. This new system, which we have trade-named BEN, as of this date, is now operative in 16 claims offices.

Our goal with this system is to develop a pre-eminent capability for service and for cost effective management of employer expenditures on health care services, which in recent years have grown so dramatically.

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Within the context of a society in which General Motors now spends more for employee health care than for steel, our conviction is that we are arriving at a critical point of market recognition that the claims management of these enormous sums must be sophisticated and greatly improved in cost effective control.

Our new BEN system, and a persistent post-introduction program of training, organizational adaptation, and system enhancement, are aimed at the growing market recognition to which I have made reference.

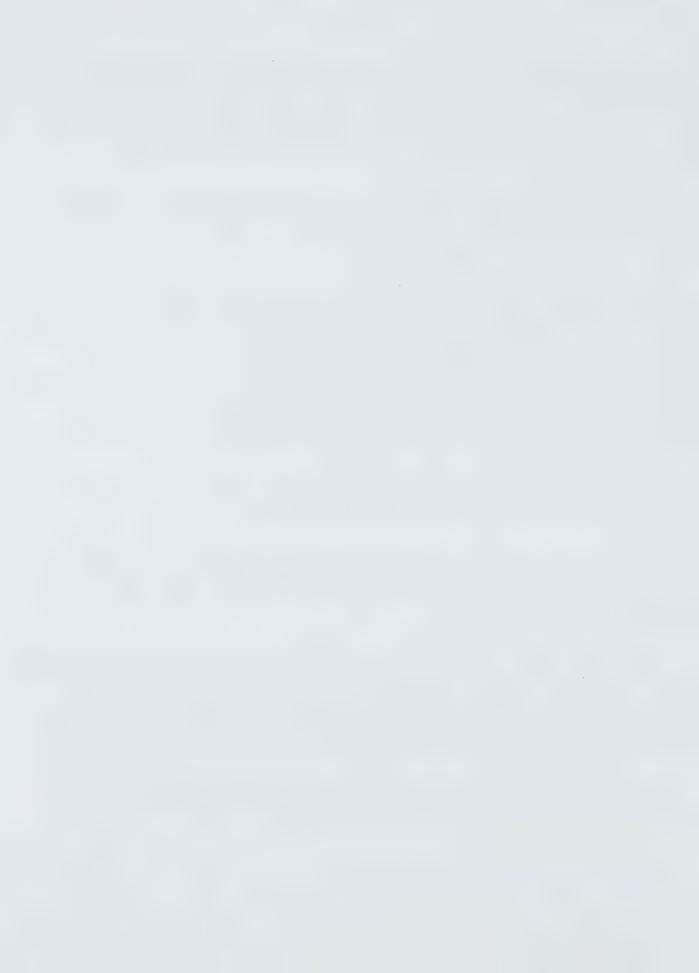
Then in November 1983, our 20 year old Individual product system was replaced by the new Administration and Information Delivery program, so-called A.I.D. in our Company, which has been in development stages for several years. I am pleased to report that no major difficulties were experienced at the point of initial introduction and the old system was shut down in November 1983. From this point we are proceeding with the now familiar post-introduction phase of adaptation, enchancement and learning to exploit the system's strength.

In the way ahead, the development and management of new systems to achieve productivity will be given high priority in our affairs.

At the conclusion of this Annual Meeting, you will find in the corridor outside, three computer terminals and one personal computer, each manned by a Great-West staffer or agent.

Two of the terminals, and they are so identified, are on-line to our BEN claims system. One other terminal is connected to our A.I.D. system and finally one personal computer with its own software is positioned to display how our Living Life product responds to whatever situation you might challenge it with.

During and after the reception following this meeting, should you wish, our personnel will tell you more about these computerized capabilities.



Mr. Chairman, the occasion of the Annual Meeting has often been viewed as an opportunity to remark on the prevailing social and economic scene. I have refrained from doing so at this meeting not for want of issues that are highly pertinent to our affairs. Because 1983, however, has been a year unusual for its degree and scope of change, I thought it most appropriate to more adequately comment on our activities and the themes of our emphasis in the period ahead.

All that I have recorded is the end product of the insights and endeavours of the many gifted people in the varied locations of Great-West in Canada and the United States. Tempered by the turbulence of recent years and encouraged by emerging impact of adaptation and change, we view the future with considerable excitement and optimism.



GREAT-WEST LIFE

for further information call:

Susan Magnusson Manager, Communications (204) 946-7705

GREAT-WEST LIFE ANNOUNCES SIX MONTHS' RESULTS

Winnipeg, July 23, 1985 . . . The Great-West Life Assurance Company, a member of the Power Financial Corporation group, has reported net income from operations attributable to shareholders for the first six months of 1985 of \$40,979,000, representing \$20.48 per share. In the corresponding period of 1984, net income from operations totalled \$28,659,000, representing \$14.32 per share. The 1985 result includes the amortization of realized and unrealized gains on stocks at a rate of 15% compared to 7% in 1984.

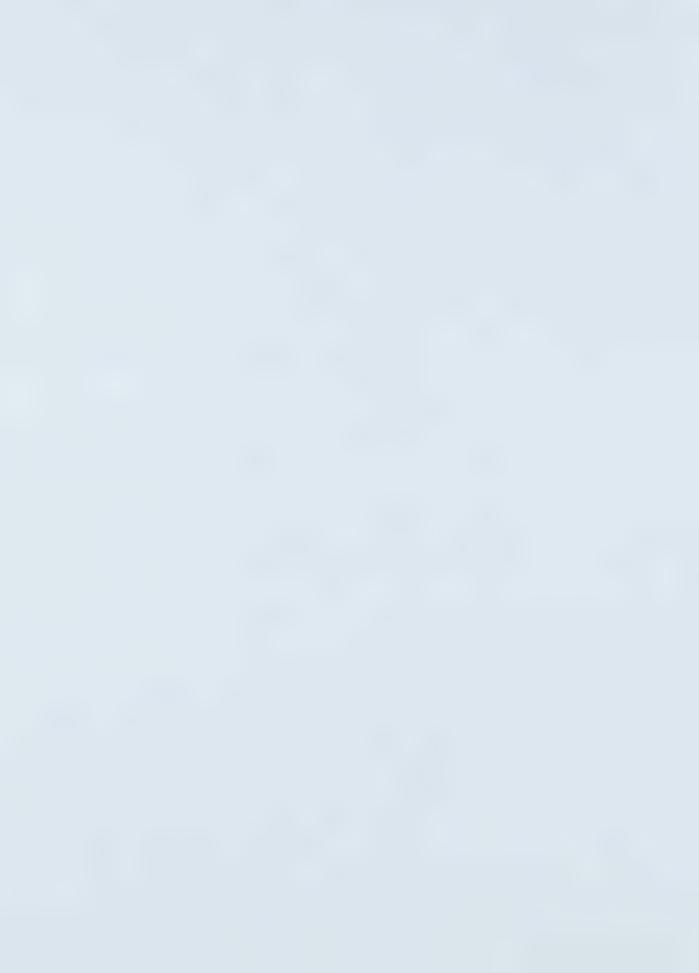
Including other items of \$1,510,000, net income for the period was \$42,489,000 representing \$21.24 per share as against \$35,409,000 representing \$17.70 per share for the previous year. Other items of \$6,750,000 in 1984 reflected a gain of \$11,043,000 as the result of a change in the book rate of exchange introduced in that year, partially offset by a write-down of assets and changes in policy reserves.

At their meeting today, the Directors approved the payment of a quarterly dividend of \$4.00 per share on August 30, 1985 to shareholders of record at the close of business August 15, 1985, an increase of 50¢ per share in the quarterly rate. A 15% withholding tax is applicable to dividends paid to non-residents.

Net income from operations attributable to participating policyholders after policyholder dividends of \$34,695,000 was \$16,723,000 as against \$9,728,000 for the first half of 1984. Including other items, net income for the period was \$19,069,000 as against \$14,629,000 a year ago.

Commencing in 1985, the results of subsidiaries are being reported on a consolidated basis rather than in Other Items on an equity basis as in prior years and, as well, realized gains on transfer of currency from United States to Canada have been moved from Other Items to Net Investment Income from operations. Results for 1984 have been similarly reclassified.

Sales of life insurance coverage totalled \$5,345,074,000, an increase of 10%, and annuity sales of \$521,171,000 of revenue premiums were up 8% over the first six months of 1984. Health insurance sales in terms of gross premiums amounted to \$66,869,000, a decrease of 35% for the period. Sales in this line of business, which are affected by the timing of large group cases, are expected to improve during the balance of the year.



SUMMARY OF CONSOLIDATED OPERATIONS

Six Months Ended June 30, 1985 (unaudited)

	June 30 1985 (000's)	June 30 1984 (000's)
INCOME Premium income Net investment income	\$1,068,039 484,254	\$ 985,565 394,763
Net realized and unrealized capital gains/losses on assets of segregated investment funds	49,307	-48,438
	1,601,600	1,331,890
DISPOSITION OF INCOME Paid or credited to policyholders and beneficiaries including policyholder dividends		
and experience refunds	1,355,116	1,132,804
Commissions and operating expenses Premium and other taxes	175,148 9,749	147,764 10,863
Income taxes	3,885	2,072
	1,543,898	1,293,503
NET INCOME FROM OPERATIONS	57,702	38,387
Other items	3,856	11,651
NET INCOME	\$ 61,558	\$ 50,038
SUMMARY OF NET INCOME Attributable to Participating Policyholders Net income before policyholder dividends Policyholder dividends	\$ 51,418 34,695	\$ 41,357 31,629
Net income from operations Other items	16,723 2,346	9,728 4,901
Net income - participating policyholders	\$ 19,069	\$ 14,629
Attributable to Shareholders Net income from operations Other items	\$ 40,979 1,510	\$ 28,659 6,750
Net income - shareholders	\$ 42,489	\$ 35,409
Earnings per share		
From operations Including other items	\$20.48 \$21.24	\$14.32 \$17.70





GREAT-WEST LIFE

for further information call: Susan Magnusson

Susan Magnusson Manager, Communications (204) 946-7705

> RECENT? July 31, 1954

GREST-WEST LIFE ANNOUNCES SIX MONTHS' RESULTS

Winnipeg, July 24, 1984 . . . Net income from operations for the first six months of 1984 of \$37,505,000 has been reported by The Great-West Life Assurance Company, a member of the Power Financial Corporation group, following a meeting of the Company's Board of Directors held today. The half-year results reflect United States dollar transactions converted at \$1.20 Canadian compared with \$1.15 a year ago.

Including other items of \$12,533,000, net income for the period was \$50,038,000. Other items include a gain resulting from the conversion of United States dollar net assets at the beginning of the year to Canadian dollars at the new rate.

Sales of life insurance coverage totalled \$4,869,087,000, an increase of 26% over a year ago, and annuity sales of \$495,470,000 of revenue premiums were up 38%. Health insurance sales in terms of gross annualized premiums amounted to \$99,971,000, an increase of 125%, due in large part to the restoration of a more normal rate of sales in the United States.

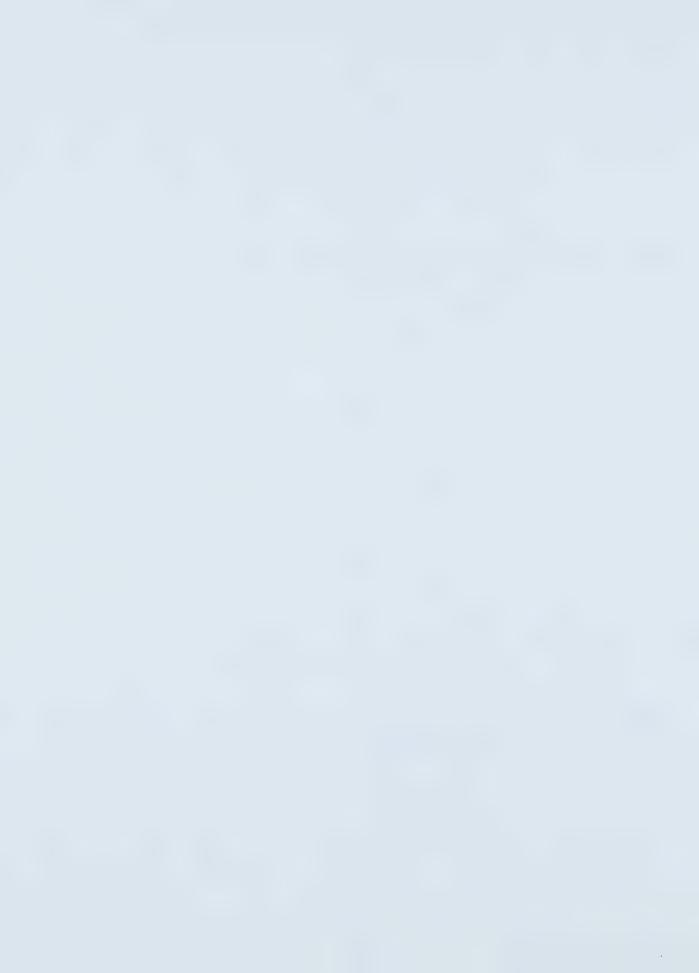
Premium income, which represents both new sales and premiums paid on policies issued in previous years, increased by 18% while net investment income increased 16%.

Amounts paid or credited to policyholders and beneficiaries, excluding policyholder dividends, totalled \$1,085,128,000 during the first half. Dividends to policyholders totalled \$31,629,000 compared with \$28,265,000 for the first six months of 1983. Mortality experience was less favorable for individual insurance compared with a year ago while for group insurance, it improved.

Net income from operations attributable to shareholders was \$28,030,000 representing \$14.01 per share compared with \$22,021,000 representing \$11.01 per share for the first six months of 1983. Including other items of \$7,379,000, net income to shareholders was \$17.70 per share compared with \$11.73 a year ago.

Net income attributable to participating policyholders, after policyholder dividends of \$31,629,000 and including other items of \$5,154,000, was \$14,629,000 compared with \$7,499,000 for the first six months of 1983.

At the same meeting, the Directors approved the payment of a quarterly dividend of \$3.00 per share on August 31, 1984 to shareholders of record at the close of business August 15, 1984. A 15% withholding tax is applicable to dividends paid to non-residents.



60 Osborne Street North Winnipeg , Manitoba R3C 3A5 Telephone: (204) 946-1190

Release from Great-West Life

AR33

For further information call: Mr. R. C. Graham (204) 946-9705

FOR IMMEDIATE RELEASE April 7, 1978

Annual Report

Great-West Life Completes
Unique Inuit Art Collection

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WINNIPEG, April 7, 1978 . . . A collection of the works of one of Canada's internationally-recognized Inuit artists, Kenojuak, has been completed by Great-West Life, the Winnipeg-based insurance firm.

The complete Kenojuak collection, numbering lll prints, includes the famous "Enchanted Owl" featured on the Canadian postage stamp commemorating the Northwest Territories Centennial in 1970.

The collection, put together over the past two years at a cost of close to \$200,000, is believed unique in Canada according to Great-West's vice-president of development, George Dinney, who co-ordinated the project.

"Great-West Life has been acquiring the works of Canadian artists, including some Inuit pieces, for over twenty years," says Dinney.
"In 1975, when we heard a 40-piece Kenojuak collection was available, we decided to buy it as the basis for a complete collection."

Great-West Life plans a touring exhibit of the Kenojuak collection in Canada and the United States.

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A cover story on this collection is one of 28 articles appearing in "Report" magazine, which Great-West Life publishes each year as a supplement to its Annual Report. The award-winning publication has a newsmagazine format and reports on the diverse operations of Canada's largest life insurance company (with over \$40 billion of business-in-force). The Canadian company derives almost half its sales from the United States, and construction is now underway on the twin-tower Great-West Plaza in Denver, Colorado where Great-West has established a headquarters for its U.S. operations.

Other stories in "Report" include a review of an international symposium on "Values and Morals" (which Great-West co-sponsored with the University of Manitoba in the Fall of 1977), and the Company's \$43 million of new investments in Quebec during 1977.



REPORT



AN INSIDE LOOK AT GREAT-WEST LIFE



|



Great-West Life Board of Directors and Officers

Board of Directors

Chairman of the Board

J.W. Burns

President Power Corporation of Canada

Chairman of the Executive Committee

Peter D. Curry* Deputy Chairman

Power Corporation of Canada

President and Chief Executive Officer

K.P. Kavanagh*

Directors

W.M. Auld**

Deputy Chairman

Bristol Aerospace Limited

Marcel Bélanger, O.C., C.A.**

President

Gagnon et Bélanger, Inc.

Dr. Walter Curlook

President and Chief Executive Officer

Inco Metals Company

John H. Coleman

President

J.H.C. Associates Limited

Paul Desmarais, O.C.

Chairman of the Board and Chief Executive Officer

Power Corporation of Canada

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Council for Financial Aid to Education, Inc.

R.G. Graham*

President

Inter-City Gas Corporation

C.H. Hollenberg, M.D.*

Professor of Medicine

Toronto General Hospital

R.O.A. Hunter*

Company Director

R.H. Jones*

Chairman of the Board and

Chief Executive Officer

The Investors Group

John A. Love**

Chairman of the Board

and Chief Executive Officer

Ideal Basic Industries, Inc.

J. Blair MacAulay*

Partner

Fraser & Beatty

A.V. Mauro, Q.C.

President

The Investors Group

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Chairman of the Board

H.B. Nickerson & Sons Limited

Paul Britton Paine, Q.C.*

Chairman of the Board and President

Montreal Trust Company

A.M. Runciman*

Company Director

A.L. Simkin, Q.C. Senior Partner Simkin, Gallagher Ross J. Turner

President and Chief Executive Officer

Genstar Corporation

*Member of the Executive Committee

**Member of the Audit Committee

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President and Chief Executive Officer

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R.S. Abbott

Vice-President, Marketing

W.L. Benson

Vice-President, Group Major Accounts

C.D. Chapman

Vice-President, Individual Operations

J.D. Green

Vice-President, Group Operations

W.T. McCallum

Vice-President, Individual Operations Development

United States Region

O.T. Dackow

Senior Vice-President, United States

A.G. Carmichael

Vice-President, Individual Operations

A.D. MacLennan

Vice-President, Group Operations

H.K. McVicker

Vice-President, Marketing

Investment

J.R. Crysdale

Senior Vice-President, Investments

Vice-President, Mortgage and Bond Investments

Corporate Finance and Control

J.O. Parsonage

Senior Vice-President, Corporate Finance and Control

J.A. Hillman

Vice-President and Controller

Corporate Resources

H.E. Harland

Senior Vice-President, Corporate Resources

G.W. Dominy

Vice-President, Corporate Planning

R.B. Pennycook Vice-President, Corporate Systems

Corporate Staff

G.R. Dinney

Vice-President, Development

H.W.B. Manning

Vice-President and Counsel

R.K. Siddall

Vice-President and Secretary

We stand in the midst of a most challenging time in our industry. Very considerable change took place in our business environment in 1981, across North America. The primary factors influencing Great-West Life's operations during the year were high and turbulent interest rates, continued inflation, marked slow down in the economy, and health care cost shifting from the public to the private sector in the United States. These factors underlined the importance of adapting to a new environment.

Great-West Life is fully committed to offering a complete array of insurance products to meet the evolving needs of today's consumers. As change occurs, so must we.

This supplement to our 1981 Annual Report serves to illustrate some of the ways in which the men and women who make up Great-West Life have attempted to respond to change. In essence, we want to help put our clients in control of their financial futures. We're here to provide expertise, counselling, choices.



1981 was an eventful year, and much was done to position the company to meet the challenges and take advantage of the opportunities which the future will surely present. Corporate initiatives in 1981 included the introduction of new products; development of our human resources; the continued restructuring of our company into separate Canadian and U.S. operating groups, to enable us to better serve the needs of our clients in each market; the introduction of a new computerized group claims payments system; and construction on two fronts — the start of a new corporate headquarters in Winnipeg, Manitoba, and the launching of construction of Greenwood Plaza in Denver, which will house some of the company's U.S. operations starting in 1982.

Each of these initiatives represents an investment in Great-West Life's future: the ability to identify and respond appropriately to our customers' individual needs.

The gratifying results achieved by this company in 1981 reflect the teamwork involved in our provision of services to the public. And, they certainly lend reason for optimism for the future.

I salute the Great-West Life people whose efforts contributed to our successes in 1981, and I look forward to working with them toward an even more successful 1982.

KPKavanagh

President and Chief Executive Officer

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PRODUCTS & SERVICES



Great-West Presence Grows Across North America

The Great-West Life Tower in Denver, Colorado was dedicated on May 26, 1981, the 75th anniversary of Great-West Life's operations in the United States.

Company president Kevin Kavanagh, Jim Burns (chairman of the board), local dignitaries, company vice-presidents, and representatives of the company's policyholders attended a ceremony in the tower's lobby.

Great-West Life occupies 12 floors in the 29storey, 400,000 square foot tower. Constructed at a cost of \$31.5 million, it is part of the twin tower Great-West Plaza development. Great-West Life also announced that it would construct a building for its own use in southeast Denver, at a site known as Greenwood Plaza. It will be home to some of the company's staff in 1982.

Up north . . .

Great-West Life's new corporate headquarters in Winnipeg is on schedule for completion in 1983. The six level building will house the company's corporate operations. The building is faced in tyndall stone and glass. The tyndall stone was selected in "acknowledgement of our origins in Manitoba, and commitment to the province," explains Kevin Kavanagh.





... and down south

In 1981, the company opened a brokerage office in New Orleans, Louisiana. It is expected to become one of the company's major operations within the next three years. Manager Leon Cornay, III, joins Great-West with ten years' experience in that market.

This is the first office Great-West Life has in the territory, covering Louisiana and Mississippi. The site was selected because of the market's potential.



On the Move

Great-West Life's regionalization into U.S. and Canadian operations continued in 1981.

The United States divisions of two major areas — policy benefits and group life and health insurance, together with systems support — relocated to Denver, Colorado last year.

Over 40 staff transferred from Winnipeg as part of the regionalization. They were joined by more than 350 staff members recruited in the United States, some of whom spent from two weeks to four months training in Winnipeg before assuming new responsibilities in Denver.



The company used the same project team approach which had proven so successful in phase I of the move in 1980. The team ensured that business functions were transferred over as quickly and smoothly as possible.

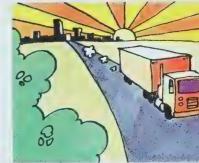
A communications program was launched to keep policyholders, field personnel and staff up-to-date on the complex sequence of events which occurred over a four month period.

Approximatey 141 tons of material moved from Winnipeg to Denver during 1981, mainly business forms and files. Over six million documents were microfilmed in preparation for the move.

The 1981 relocators joined several departments already established in Denver and operating out of the United States headquarters. These included U.S. marketing, group voluntary retirement and qualified pension plans departments, computer operations, accounting services, personnel and purchasing.

The first two phases of the planned regionalization which took place in 1980 and 1981 have successfully paved the way for the final move in 1982: this will complete the establishment of the company's United States operations in Denver.





Changing Needs: Changing Products

Remaining competitive in the insurance and financial marketplace means meeting consumers' changing needs. Great-West Life continued to do that in 1981 by developing new products and revamping existing ones to respond to the demands of the economy.

IN THE UNITED STATES

Great-West Life took its first step into the indeterminate premium design marketplace with **Graduated Whole Life**.







It's a new concept in the industry, combining the best of both whole life and term products. Premium rates vary according to both the age of the policyholder, and the time elapsed since policy issue. This gives the client the lowest possible goingin premium per \$1,000 of coverage.

Since the premiums are tailored to each client's situation, this concept creates more than 5,000 different premium figures. Computer support is essential to make the product viable.

Great-West also prepared a new product for the wealth accumulation marketplace. The company designed an **individual variable annuity** as an alternative to traditional deferred and variable vehicles and certificates. A Revenue Ruling, effective late in 1981, delayed the product's introduction to early 1982.

"We're revamping it to meet the new regulations," emphasizes marketing vice-president Keith McVicker. "This shows how essential it is that we stay responsive to consumer, government and economic change."

As a third initiative, the company entered the **executive salary continuation market** in response to market conditions and requests from its representatives.

Executive salary continuation (ESC) plans appeal to a very specific market segment yet, at the end of the first six months, case activity was high. That lived up to the company's market research, which predicted that the ESC would be "one of the best plans in the industry". Its most popular feature is the X-RiderTM, introduced with the company's revised ratebook in 1980.

Great-West Life took a major initiative in the group pensions market when it introduced the **Growth Guarantee Contract**TM (GGC) in August, 1981. The product was the result of nearly a year's work in market research and product development and design.

The GGC responds to increasing market interest in guaranteed investment annuity contracts, specifically designed as funding arrangements for defined contribution pension plans.

Great-West Life's GGC incorporates characteristics of those contracts which pension consultants and clients had identified as particularly desirable. Those characteristics include book value

payment of plan benefits, a rate of interest guaranteed in advance of receiving deposits, and a guarantee to prorate plan benefits among all of the other GGC's held by the employer. In addition to the main contract, which accommodates multiple deposits over a period of as long as 12 months, there are also two single deposit options specifically designed to accommodate large single-sum deposits.

The Great-West Life Growth Guarantee Contract remains unique in the marketplace in that it contains those features the market considers most favorable. That has earned it the title "current state of the art in GGC" contracts.

1981 was another successful year for Great-West's growth in the **Public Employee Deferred Compensation** market. The States of North Carolina and Colorado both selected Great-West's Fixed Annuity for their Deferred Compensation Plans.

The public employee deferred compensation market is relatively new. It was created by the Tax Reform Act of 1978, under which employees of state and local governments can elect to "defer" up to 25% or \$7,500 (whichever is less) of their current income. Both the employee deferral and any investment earnings on the deferral accumulate tax-free until benefits are actually received, usually during retirement.

Since 1980, Great-West has concentrated its efforts in developing a superior fixed annuity option for public employee deferred compensation plans. Within a one-year period, the Great-West Life Fixed Annuity was selected by the states of Idaho, South Carolina, and Minnesota.

In addition to the five state programs, Great-West Life has also been selected by a number of cities and counties throughout the United States.

For 1982, the company will continue its strong commitment to this market.

The company introduced a new interest rate concept for group fixed annuity contracts. It assures that all participants receive interest rates which reflect current long-term market interest rate conditions. The concept remains unique in the industry.

Through the **Contractual Minimum Guarantee**, the Participant's Retirement Annuity

Value is guaranteed to grow, even if only one deposit is made. No expense charges are deducted, and there is a guaranteed minimum interest rate of 3.5%. In addition, all contributions received by Great-West Life in 1981 were also guaranteed to earn not less than a **Minimum Credited Interest Rate** of 11.0% (less expenses) for 1981, 1982, and 1983.

A **Current Quarterly Interest Rate** reflects fluctuations in current long-term market conditions.





The interest rate declared at the beginning of each calendar quarter is credited on all contributions received in the calendar quarter through the end of the calendar year on all funds remaining on deposit at December 31.

Great-West Life expanded its Group Insurance Alternative Funding product portfolio when it introduced the **Minimum Premium Product** (MPP) in August, 1980. Because of features like enhanced cash flow and retention of important insurance guarantees, over 100 employers selected the Great-West MPP as an alternative to the traditional insured method of providing group insurance coverage.

Great-West Life improved its **Group Add-On** product by simplifying and re-designing it. Add-On is an optional group term life product offered to policyholders who have a basic group term life policy. With Add-On, employees and their spouses can elect additional coverage up to \$100,000, where permitted by state regulation.

IN CANADA

In Canada, four major consumer trends were reflected in Great-West Life's product initiatives.

"Consumers have shortened their outlook: some now consider one year a long period," explains Ted Steven, FSA, director of individual products. "They're looking for recognition of their life style in product pricing, like lower rates for non-smokers."

"People want to protect the real dollar value of their insurance," Steven adds, "and they're also more concerned with getting 'good value' for their money."

With these points in mind, Great-West Life revised its renewable term portfolio. Temporary rates went into effect in February, and the new **Building Block Term** product was introduced in May.

Flexibility is key to Building Block Term, which can be tailored to clients' needs. The

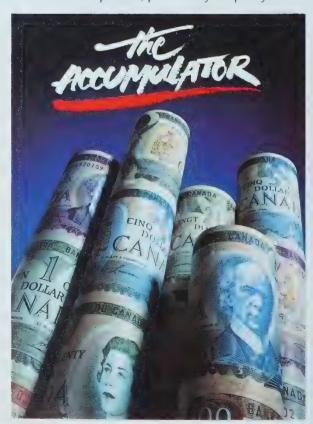


premium paid reflects exactly the coverage the client chooses. The company introduced smoker/non-smoker rates, improved renewal options, and added an inflation protection benefit providing automatic increases of 10 percent of face amount every year for 10 years. Clients can also select an option to guarantee all premium rates to age 80.

A new indexing feature added to the **Preferred Earnings Protector** disability income product (PEP) in 1981 improves its ability to keep pace with inflation. Pre-disability earnings, which are used to determine proportionate loss of income benefits, are now indexed for **all** PEP policyholders. Issue limits were increased, allowing people to more adequately protect themselves.

In addition, the company began researching improvements to personal disability income products (PEP and PIP), for introduction in '82.

A third initiative was Great-West Life's revision of the pricing of its immediate annuities, to make them more competitive, particularly for policy



proceeds. The company also moved into the area of **structured settlement annuities**, used to finance court awards to accident victims. They offer the dual advantage of providing regular, non-taxable income to the victim, while costing the liable party less than a lump sum payment.

Few companies quote on structured settlement annuities, and Great-West Life is now one of the leaders in this field in Canada.

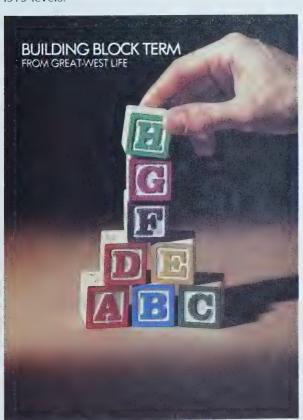
The company streamlined its participating permanent portfolio in November, reducing the number of plans to five. Smoker/non-smoker rates were introduced, and improved dividend options now provide greater flexibility and exceptional value.

A dividend increase on these and all other participating policies (effective January I, 1982) was approved by the Board of Directors. Together with the 1980 scale revisions, dividends to participating life policyholders have increased by 50 percent over 1979 levels.

Also in November, Great-West Life introduced the **Flexible Accumulation Annuity**. With this deferred annuity, all payments earn daily interest unless the client specifies otherwise. The funds may be transferred to a guaranteed interest option for periods of 1 · 10 years.

A unique major initiative in '81 was an offer to improve the insurance value of selected in-force policies.

"We gave many participating policyholders the option of using their dividends — which are now far larger than had been anticipated when their policies were sold — to increase their life insurance coverage," explains Steven. More than seven thousand policyholders (about half the group) accepted this offer to substantially increase their insurance coverage. Total death benefits were increased by \$175 million. The company plans to expand this program in 1982.







A Healthy Interest in Research

In 1981, Great-West Life continued to support the research of Dr. R.E. Beamish, vice-president of medical and underwriting (retired) and Dr. Naranjan Dhalla of the University of Manitoba. The research is aimed at identifying the mechanism that leads to heart attacks and sudden death.

Beamish and Dhalla used a \$25,000 donation from the Manitoba Heart Foundation to buy a high pressure liquid chromatograph they hope to use to measure adrenochrome levels in humans. Adrenochrome is a breakdown product of hormones which results from stress. Their earlier research had shown that adrenochrome is one of the most potent mechanisms causing spasm of the arteries supplying the heart muscle, and fluctuations in the heart's rhythm, leading to sudden death.

Their research has received wide-spread coverage internationally through newspaper and magazine articles, and articles in medical and scientific journals. They have been invited to speak at medical conferences on their research and its implications.

Great-West Life also awarded a research scholarship of \$25,000 annually, for three years to Dr. Richard M. Prewitt, assistant professor of medicine at the University of Manitoba.

With the scholarship Dr. Prewitt will continue his research into functions of the heart and lungs. His research involves clinical studies in medical and surgical intensive care units.

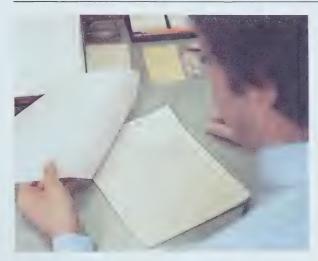
Along with his associate Dr. Larry Wood, Dr. Prewitt has been credited in the medical world with making an important contribution to the understanding of pulmonary edema, a common lifethreatening problem in the seriously ill.

The scholarship is offered to promising young researchers and supplements the company's inhouse research. The first scholarship was awarded to Dr. John Rabson for his studies focusing on determining the heart's function as a pump, and investigating the physiology of normal and obstructed coronary arteries.





Underwriting: Approving the Application



Underwriting is the process of reviewing an application for insurance to determine whether the individual qualifies for the coverage requested. At Great-West Life, more than 95% of applicants do qualify at 'standard' rates.

On the average, the company's underwriting department receives 1200 applications for individual insurance each month, including life, disability income and annuity policies. More than half of the life insurance policies are issued without requests for further information from the applicant.

Policies are now issued to people who would have been considered uninsurable 20 years ago. With the improvements in medical treatment and in underwriting techniques, Great-West Life is now able to accept the risk of insuring people with heart valve replacements or people who have had open heart surgery. Most diabetics with high blood pressure or an abnormal EKG can now be insured.



Underwriters consider many factors when they review an individual's application for insurance: medical history, physical condition, occupation, recreational pursuits, lifestyle, age and sex. The result is a premium rate tailored to reflect that individual's circumstances.

Underwriting is based on the belief that the life expectancy of a large group of insured lives is predictable. (Of course, the exact life expectancy of an individual cannot be predicted.) Great-West Life's underwriting department also functions on another belief: that customers, agents and brokers need a high level of service and competitive underwriting.

That has earned the department a reputation as one of the best in the industry.

Group Clients Demand Flexibility

The only thing Great-West Life's group clients have in common may be their insurance carrier. The companies and associations Great-West insures span a multitude of industries and interests across the continent.

The groups each have their own special needs. They may be looking for a single product or a package of benefits, for special administration features. Great-West Life tailors a presentation for each client, drawing from health, dental, life insurance, disability and pension benefits. In 1981, these groups were among the many who chose Great-West Life as their carrier.

The Manitoba Telephone System (MTS) became the company's largest private account with a \$1 million dentalcare plan covering 5,000 employees. The case is set up on a minimum premium funding basis. MTS transfers funds, as they are required, to the benefit payment account administered by Great-West. That results in a significant cash flow improvement for the telephone system. Ernie Buhr, a Winnipeg group office marketing representative, handled the case.

In Toronto, a top claims payment reputation and competitive rates convinced **CNCP Telecommunications** to call on Great-West Life.

Paul Murphy made the successful presentation of a package including life, health, long-term disability

and dental insurance benefits. More than 1,200 CNCP employees and their dependants are covered for an annual premium of over \$900,000.

The **PCL Bond Fund #4** is an example of a different type of group benefit. In 1981, PCL transferred half of its pension fund assets, about \$3.5 million, into a Great-West non-pooled fund. Contributions are expected to grow by \$455,000 annually. PCL, Canada's largest contractor, based its decision on the reputation Great-West has built as a fixed income manager.

Working from the company's Toronto group office, Doug Cooper, FLMI, closed two diverse cases ranging from 'head to toe' in 1981. One was the **Ontario Dental Association** with a \$260,000 health insurance plan for its 1,000 members. Special underwriting considerations limited the number of carriers willing to quote on the coverage. Great-West was able to accommodate the ODA, which includes its staff, all the province's dentists, their employees, staff of the Ontario and Canadian Dental Associations, members of the Royal College of Dental Surgeons, and the National Dental Examining Board.







The other was **Kinney Shoes of Canada**, choosing dental insurance coverage for its 1,400 employees. The case has \$170,000 of annual premium. Great-West was subsequently asked to quote on a plan for Kinney's 10,000 U.S. employees.

STATESIDE

In the United States, the company's first Growth Guarantee Contract (GGC) was signed with **The Housing Authority of St. Louis**. The GGC is a form of guaranteed investment contract, incorporating major characteristics requested by U.S. insurance consultants. Mark Phillips, from Great-West's St. Louis office, worked on the case for several months until the GGC became available, providing the solution. The case had a lump sum rollover of \$223,000, with an anticipated annual contribution of \$120,000. The Housing Authority was particularly attracted to a flexible disbursement period option, benefits paid at book value, the preservation of principle and the high guaranteed interest rate.

Great-West Life also landed the **Lear** account for life, weekly indemnity, accidental death and dismemberment, and comprehensive major medical









and dental coverage. The plan covers 386 employees of LearAvia Corporation and its subsidiaries · Lear Fan Corp., Lear Fan Sales Ltd., Silver Lake Water Distribution Company and Learneo Developers for an annualized premium of \$600,000. Flexible underwriting was a deciding factor.

The Chevron Marketers Group Insurance Trust, a subsidiary of Standard Oil of California, signed a \$5.2 million benefits program with Great-West Life. The program covers 5,000 service station dealers and employees for life, weekly indemnity, accidental death and dismemberment, dental and medical benefits. A unique aspect of this case is that owners of individual stations can offer coverage to their employees. Great-West Life added three claims examiners to its San Francisco staff to handle the anticipated claims load. Rob Jarvi worked on the case, which is administered by Healy Insurance Agency.

TDK, manufacturer of the well known audiotapes, signed a Minimum Premium Plan with Great-West Life in 1981. Approximately 365 employees in TDK's California plant are covered for life and health benefits, with 280 also covered for life, dental and medical. The insured premium is estimated at \$200,000. Product design was an important aspect of this case, as was Great-West Life's underwriting flexibility.

'Individual policyholder service' became the 'client service' division in 1981 as part of a major initiative to improve the company's ability to respond to its customers.

"We think the new, name says it better," explains client service officer Don Galay. "Along with our associates in the field, we share a responsibility to provide our clients with effective service. The name change was just the tip of the iceberg."

A client service task force looked at systems in eight other major companies and interviewed people across Great-West. As a result, the underwriting and client service departments are restructuring their affairs to better respond to regional needs.

Previously, transactions were handled by type, each sent to a different section of the department. One client's request might have passed through several areas before all the instructions were followed.

"We find that the changes save a great deal of time and improve our accuracy," Galay says.

A second change saw a computer network connected to the new business issue system. As a result, our branch offices now have instant access to the status of a client's application. Computer printouts indicate whether a policy has been issued, mailed, or is being held for further information.

This second improvement dramatically reduces correspondence and phone calls between head office and the field, freeing more time for the actual processing of applications.





The client aid system was introduced last year to better organize policy records. Policy information is retrieved by the client's name, rather than a policy number. If an address change is requested, for example, the company can be sure it has corrected all the policies issued to the individual.

"The system is client oriented, not number oriented," notes Dave Van Tornhout, manager of the project. "That's essential today."

Only authorized people have access to the system and a 'double check' is built into the program to further reduce the chance of error.

INVESTMENTS



Investment Policies Adapt to New Environment

1981 IN REVIEW:

Unprecedented volatility in financial markets challenged traditional investment practices across the continent in 1981.

"That volatility, combined with an uncertain economic future, high inflation and escalating interest rates, meant that we substantially changed our activities in a number of ways," explains senior investment vice-president Jim Crysdale.

"For example, we're no longer willing to agree to fixed interest contracts for periods longer than five years. We see more floating rate and participation mortgage lending opportunities, and we are holding a greater proportion of assets in money market instruments."

Crysdale adds that it's not just an attitude change on Great-West's part. "Our policyholders are





showing a strong preference for products where rates of return are tied directly to the performance of a specific pool of assets."

The company responded to that demand in two major ways in 1981. A Money Market Fund was introduced, closing the year with over \$100 million of investments earning a rate of return close to 21%. The company's new Real Estate Fund, acting on behalf of 85 different pension accounts, was also closing in on the \$100 million mark in assets.

"The Real Estate Fund's rate of return was a very attractive 14%. We expect that a growing part of future rates of return will come from the capital appreciation on real estate held. In fact, we're starting to see that happen now," Crysdale says.

"Because of the public interest in such investments, we're concentrating on improving the relative performance of our pooled bond, equity and mortgage funds. And, in 1982 we'll work to identify new pension investment product opportunities, particularly in the field of real estate."

In recent years the company has become increasingly active in the joint venture development of high quality commercial and industrial real estate across Canada and in selected areas of the United States: Chicago, Denver, Dallas, Houston, California's Orange County, and San Diego.

COMMON STOCK PORTFOLIOS ALSO REACT

Stock markets in both Canada and the United States took a downward turn in 1981. But, Great-West Life's portfolio outperformed several indexes, including the T.S.E. 300, and Standard and Poor's 500.

"Stocks reacted to the same conditions that affected our other investment vehicles," Crysdale explains, "conditions such as record interest rates, government policy changes and a general economic downturn. Still, the recession that began in mid-year 1981 should help lower inflation and interest rates, and lead to a period of renewed growth."

The altered investment practices brought about by highly volatile market conditions has meant a variety of challenges for the investment division. "For some," Crysdale notes, "change has been a source of great frustration: comfortable traditions have become inappropriate. Change has meant retraining and the uncertainty of adapting to new concepts."

"But, most of us have looked on change as an opportunity to learn, to experience personal growth and satisfaction. The general reaction of people in this division has been positive: they remain dedicated to high standards, learning new skills, and productive work. That bodes well for our progress in '82!"

Real Estate: A Down-To-Earth Investment Tool

Why does an insurance company invest? It's simply to earn money to pay benefits to the people who hold policies with Great-West Life. Because insurance contracts are long term in nature, the premiums policyholders pay are based on the assumption that the company will put the premiums 'to work'. Real estate has proven to be an excellent method of keeping premiums low.

Great-West was one of the first institutions of its kind to turn to real estate for its policyholders' benefit. It also gives the company an opportunity to put policyholders' money to work in communities in which the company is active.

In 1981, the number of Great-West real estate investments continued to grow, guided by policies evolving to meet new market conditions. For example, the company began to design leases that protect the value of the property as well as reflect the tenant's ability to pay. Shorter term than

traditional commercial leases, these contracts react better to rapid changes in the economy.

Last year, the company reaffirmed its commitment to real estate investment, developing projects like the following across North America:

CROSS-CONTINENT HOLDINGS

Great-West Life is a partner in Kinwest Development Corporation which began the development of a 2,200 acre site in northwest **Dallas, Texas**. It's a unique location, within a 10 minute commuting distance of the Dallas-Fort Worth Airport and 20 minutes from downtown Dallas.







The company's partners in the venture include the Simkin Group of Winnipeg and Las Colinas Corporation, principals in the high profile Las Colinas project next to the Kinwest property. It's a multi-use suburban development, blending residential villages, office and industrial parks, recreation facilities and shopping centers. The Kinwest lands will be an integral part of Las Colinas.

Late in 1980, Great-West acquired the shopping center division of Oxford Development Group Limited. That gave Great-West a 100% interest in the Chinook Centre in Calgary, Alberta, Waterloo Square in Waterloo, Ontario, as well as an interest in 24 other shopping centers and three office buildings. A private company called Lamego Investments (subsequently amalgamated with Cambridge Leaseholds Limited) was formed to own and manage the shopping centers. In 1981, two new centers opened in the chain: Oakville Place in Oakville, Ontario and the Deerfoot Mall in Calgary. Both centers were developed and will be owned in conjunction with major retailers. In total, there is now 11,115,000 square feet under management.

Calgary's Bow Valley Inn opened early in 1981 under the Delta Hotels flag. Great-West holds 30% of the chain, the fastest growing in Canada. The Bow Valley Inn is a \$30 million hotel with 400 guest rooms, conference facilities and a recreation



complex. By 1984, Delta expects to have over 5,000 rooms under management across the country.

Vaughan, Ontario is the site of Canada's Wonderland which opened in 1981. The 370 acre theme park, 18 miles northwest of downtown Toronto, was financed by Great-West Life and Taft Broadcasting Company of Cincinnati at a cost of \$123 million.

The park was designed to preserve the surrounding natural woodlots, with about \$12 million spent on landscaping and site development. Canada's Wonderland opted for details such as interlocking stones (29,000 of them!) in place of asphalt walkways to complement the setting.

The focal point of the park is a 150 foot manmade mountain covering two and a half acres. Five themed areas surround the mountain, each with special attractions for the park's visitors over the season, from Victoria Day through Labour Day each year.

In **Denver, Colorado** a 175,000 square foot office project is being developed at a cost in excess of \$21 million. Scheduled for completion in July of 1982, the project features a glass enclosed atrium connecting two separate buildings. The exterior finish is green slate with aqua-green solar ban glass.

Also in **Denver**, an existing one-storey office/showroom on Interstate 25 is being planned for redevelopment. Known as the Orchard Redevelopment, it is being designed to house 720,000 square feet of office space in three identical ten-storey towers. Each building will feature a reflecting pool to accentuate the curved aluminum curtain wall. The project, which will be developed on a phased basis over a period of three years, is expected to be valued at in excess of \$125 million on completion.

The Wateridge Corporate Park in **North San Diego**, **California** is a major 127 acre land development program co-sponsored by Great-West Life and the Equidon Group. Located near the intersection of two major freeways, the development is being planned to include up to 2 million square feet of high quality office, or research and development space in an extensively landscaped business park environment. Wateridge will be constructed over a 10 to 15 year period: phase I is scheduled to start in the summer of 1982, and is designed as a low rise three building 250,000 square foot office complex surrounding an open landscaped courtyard. On completion in 1983, phase I is expected to be valued at in excess of \$40 million.

In **Houston, Texas** a 200,000 square foot office project in the Ashford Place Office Park has been completed. The building was 100% leased in 1981. Its design includes a section rising to three storeys and a second rising to eight. A joint venture with Moody-Rambin Interests, the project is currently valued at \$25 million.

Great-West became involved in a joint venture with the Paragon Group. The 14-storey, 325,000 square foot office project at 7557 Rambler Road in **Dallas** is expected to cost \$28 million by its

completion in mid-1982. The building's design calls for reflective glass curtain walls with gray glass panels, situated within a park-like setting.

Back in **San Diego**, the 13-storey, 200,000 square foot Centerside project is underway in Mission Valley. It's a joint venture with LPI/San Diego Associates, Ltd. and is estimated at \$30 million. Phase II of the project will be a 17-storey, 300,000 square foot building to start at a later date, and will be a joint venture with Bowlen Holdings Limited.





RESOURCES



A life insurance company has three vital resources: people, technology, and physical structures. All three are essential for the company to serve its clients well. In 1981, Great-West Life reaffirmed its commitment to develop all its resources. Initiatives ranged from the installation of a new computer to an increase in the number of in-house training programs offered staff, all designed to meet the challenges of the future.

BEN: A New Star in Benefit Payments

Customers rate an insurance company by how quickly and efficiently it pays claims. So, in 1981, Great-West introduced a system that saves both time and money.

It's called BEN®, short for benefits, and it's tied directly to a computer. BEN provides instant access to a broad range of information which it displays on a video screen: information that helps Great-West pay its claims more rapidly and accurately.

Claims examiners can tell customers exactly what stage a claim has reached: for example, whether a check has been issued or if Great-West still needs information from the customer before issuing payment. To protect clients' privacy, only authorized claims examiners have access to the information.

BEN helps save money, too. For example, it can provide Great-West with a detailed and informative history of benefits paid. When it's time to renew the policy, the company can then offer the lowest possible price to the client based on the account's history.

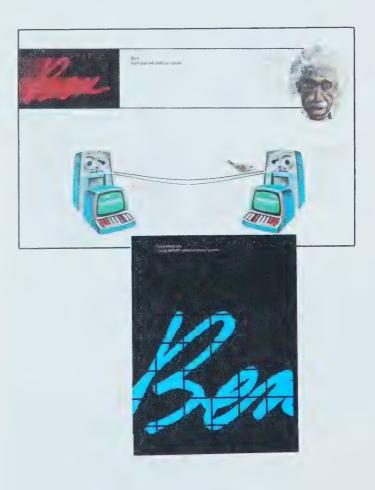
For individuals, the record keeping side of the system is quite remarkable. BEN can display a tooth chart providing a visual record of the person's dental history. It shows the date of service and the most recently recorded state of health of each tooth.

Clients aren't the only ones who benefit from the system. It offers distinct advantages for the claims examiners at Great-West, too. BEN provides information at their fingertips, eliminating tedious and repetitive tasks like searching through paper files for a document.

By 1983, more than 800 computer terminals will have been installed in Great-West offices across North America, linking them to the computer network. The BEN concept has personalized the

system and given it a strong teamwork identity among those who use it. The slogan used to introduce BEN says it all: "You can count on BEN, but your clients depend on you."

It's the people who make BEN work.



Computer Linked with Word Processing

An experiment linking the company's central computer with word processing equipment proved successful last year for the investment division.

The link, among the first of its kind in North America, eliminates much repetition and duplication, so the system saves time. Computer produced reports requiring additional information or high quality printing are now automatically transferred to word processing equipment, cutting about one-half hour's work per document.

When you consider that the division regularly receives 80 reports in five different formats, the time saving really adds up. There are other benefits, too: corrections can be made quickly and easily, the format of documents can be changed with a minimum of work, and reports can be stored in the word processor's 'memory'.

Developing the link between the computer and word processor required the skills of a team with widely varied technical expertise in computer operations and investment administration.

New Computer Installed

Since Great-West Life bought the first computer in western Canada, back in 1958, the company has been committed to reducing its operating costs by using technology effectively.

The newest addition to Great-West's computer center, an IBM 3081, was introduced in January; it increased the center's capacity by 25%.

"Early in 1981 we simply ran out of capacity: our existing equipment was at its limit," explains computer operations manager Glenn Olson. "The new computer is a very welcome addition!"

A major reason for the growing computer workload is the increasing use of computer terminals across the company. There are currently 1,000 of them in Great-West offices. That figure is expected to double in the near future as demand increases for access to the computer bank.

Computer Real Estate Record a Real "Hot Property"

As interest rates remain high, time becomes more valuable. Days, even hours, of delay in decision making can mean dollars lost. That's especially true in the company's investment division.

Last year, Great-West installed the REMIS computer system in its real estate investment area to help eliminate those delays. REMIS maintains and

provides up-to-date information on the company's real estate holdings across North America.

Keeping in touch with current information is a tall order for a company with 950 tenants in 250 buildings in Canada, plus 850 tenants in 100 buildings in the United States. REMIS helps to do the job because it ensures that all income and expense payments are recorded promptly. That includes reports on rents, arrears, vacancies, and budget summaries. Having this data available means that managers can make decisions quickly and confidently.

Because methods of buying and managing real estate are changing rapidly, REMIS may soon be supplemented by more advanced information systems.

Growing with the experience gained on REMIS, the real estate administration area reports, "The next system we design will have even more flexibility."

"It's been quite a breakthrough," says Jon Mott, manager of real estate administration. "It's a tremendous work saver and the finished products are a great improvement."



Faster Than a Speeding Bulletin

Each year Great-West processes an average of 4.9 million pieces of mail at its corporate headquarters, ranging from one page memos to 100 page computer print-outs. It's all part of an evolving communication system designed to keep the network of Great-West offices in touch with each other and with the company's clients.

Last year the company studied the economics and advantages of a cross section of communication tools: from traditional mail, to the telephone, to electronic transmission of information.

The study found that mail sent through Great-West's system normally moves from the corporate headquarters in Winnipeg to the U.S. headquarters in Denver in one day. If that isn't quick enough, there are alternatives, according to the project team.

"We found that the average cost for a telex from Winnipeg is 95 cents and the telex takes, on average, two and a half hours to reach its recipient," reports Bob Stanish, associate telecommunications manager. Telecopier transmission is another option; it sends a facsimile of a document over telephone lines. However, Stanish adds, "long distance charges make this a more expensive alternative".

The report suggests that the 'paperless office' concept, in which all information is exchanged via a network of terminals, is still far from a reality. "The cost of transmitting documents on a large scale," Stanish concludes, "just isn't practical yet."

Acting on one of the study's recommendations, a project is now underway to evaluate an electronic messaging service known as Envoy 100.

"This service is proving to be fairly cost effective and may, in fact, bring the concept of the paperless office one step closer to reality," says Stanish.

People: The Most Important Resource

People are the key to Great-West Life's future, and the search for top-notch people is ongoing. In fact, in 1981 the company stepped up its recruiting campaign across North America.

"The company's regionalization into separate Canadian and U.S. operations meant that there was an exceptional amount of recruiting done and career changes made," says Jim Johnston, manager of personnel development. "It has been a tremendous challenge."

For U.S. headquarters, regionalization has provided over 600 new jobs, which meant extensive recruiting right across the States. In head office, over 260 staff members made career changes to realign the company's human resources after regionalization.

"Our aim is to hire the best individual for every job," says Johnston. "We try to match the company's specific needs with the individual's skills and interests." The search starts with the company's current employees.







JOBS POSTED INTERNALLY

"We post job vacancies here before we recruit externally," says Denver personnel manager Mike Morris. "That way, we can provide opportunities for our current staff to move up."

When the company does go outside to recruit, it takes advantage of its contacts in the community. Over the years Great-West Life has built a portfolio of high schools, colleges and universities where previous hirings have proven mutually beneficial for candidates and the company.

But, in 1981 the demands of regionalizing took the recruiting team even further afield, using both proven and new strategies.

JOB FAIRS INTRODUCED

The company needed to reach large groups of people quickly, and the result was Great-West Life job fairs. Three were held in Denver last year.

"Every time 30 to 40 positions were available, we'd advertise in local newspapers," says Joan Prevalnig, FLMI, personnel officer. "We invited the public to drop by on a Saturday to learn more about us and our job openings. Sometimes people don't realize the variety of career paths we offer."

"We're still new in Denver, and the job fairs have really helped to establish us in the community," she adds. Each fair drew more than 100 people seriously interested in information on the company.

"By year-end, we'd made most of our matches," says Prevalnig. People were hired from across the continent.

IN-HOUSE TRAINING A DRAWING CARD

One of the company's drawing cards in its recruiting campaign is its program of in-house courses and financial support for industry and general education courses. They're designed to promote continuing education tailor-made to the Great-West environment.

According to Prevalnig, "Our courses are attractive to graduating students because they can continue their professional training while they work."

The investment training program is an example of an extensive in-house career program. It's designed to provide an overview of the departments within the company's investment division and Great-West Life's operations. Trainees graduating from the program are assigned to a department at head office or to one of the six property investment offices in other cities.

At the end of its third year, 12 of the program's graduates had joined the mainstream of the company's investment activities.

BY STAFF, FOR STAFF

Virtually all in-house programs are conducted by staff members for their peers. "The more I teach, the more I learn," states Clare Cremer, associate manager of actuarial systems, one of 80 volunteers

who led courses last year. "I've been both a student and a teacher in our programs. It has given me a great opportunity to expand my knowledge, pass on some information, and meet people throughout the company."

In 1981, more than 1,200 'students' took advantage of in-house courses ranging from report writing to leadership training.

According to personnel development supervisor Lorraine Cairns, FLMI, "The program couldn't survive without the volunteer instructors."

MEETING NEW NEEDS

The program is continually evolving to meet the company's changing needs. "We try to develop courses that are suited to the needs of people across the company," says Cairns.

Course development began in Denver this past year. "We found that we had to have more courses for the supervisory and management levels in our Denver headquarters," says training supervisor Sandy Mazarakis. "As a result, 640 hours were spent on training programs, introducing the courses we needed."

"The in-house program began in Winnipeg in 1976," Cairns adds. "Now Denver is setting up a curriculum to meet its needs and we're also working to provide courses for the field offices."

"For the future we see setting up an officer development program, seminars to support Great-West Life's productivity program, and using the micro-computer as an aid to learning."

FUTURE RECRUITING

"Our emphasis in '81 was hiring top people and introducing better ways to help them develop their skills," states Prevalnig.

"When the personnel department became part of the new corporate resources division, we joined with the departments responsible for our physical resources — where we work; and our information resources — how we communicate.

"That reorganization lets us focus on optimizing the combination of those elements. It emphasizes that people aren't pencil pushers in a sterile environment: they **are** what makes the insurance business work."

"They're our most important resource."

PEOPLE



A Tradition of Achievement

Each year Great-West Life salutes its top representatives, and 1981 was no exception. In 1981, these sales representatives and managers were Great-West Life's leaders: they placed a high volume of business in addition to providing quality service for their clients.

David Cowper, CLU, of the company's Toronto Carlton branch led company sales for the third consecutive year. Cowper placed \$23.9 million of combined volume in 1981. And, he won Great-West Life's prestigious Hopwood Memorial Award, presented annually for outstanding service to clients and community. Within the industry, Cowper is a director of the national life underwriters association, and chairman of its committee on taxation. In his community, he is president of the Toronto Cancer Society (which in 1980 raised \$2 million for cancer research); he is a former executive member of the City of Toronto Planning Board, and has served as campaign manager in nine municipal and provincial elections.

Sandy Lenenberg of the company's Pittsburgh district office led individual sales in the U.S. for the 12th consecutive year. He placed \$15.7 million of volume in 1981. Lenenberg is president of Great-West's agents' advisory council in the U.S. He is also a life member of the industry's Million Dollar Round Table.

Dick Williams, CLU, of the company's Indianapolis agency, closed the year with an impressive \$11.6 million of volume, earning third place in company standings.

On the individual side, **Joe Kelly** of Detroit had an outstanding year in the tax sheltered annuity field, placing \$19.9 million of volume. He led all company agents in this area.

The Dallas branch once again led branch office sales across the company, placing \$60.7 million of volume in 1981. Manager **Henry Thevenet** has been with Great-West since 1958.

Bonaventure Ville-Marie was the company's top Canadian agency in sales for 1981, placing over \$46 million of combined volume. The branch is managed by **Guy Mercier**.





The company's leading group office — measured by premium income and sales credits — was the Toronto office, managed by **John Andrew**. Andrew's office had \$17.4 million of premium income.

The Baltimore/Washington office managed by **Carl Girth** placed first in the U.S. with \$13.4 million of annualized premium.

Don Howie of Toronto was Great-West Life's leading group representative in '81 with over \$4 million of weighted premium. Howie, who is manager of the company's Toronto pension unit, recently celebrated his 10th anniversary with the company.

The leading U.S. group sales representative was **Virginia Tate**, of Atlanta, with \$3.1 million of group weighted premium. Tate also led the company's prestigious Group 200 Ltd. organization in the U.S.

Measured by performance against objective, the leading Group Offices were Dallas, at 209% of objective; and **Roland Gagnon's** Montreal Agency, at 169%.

In brokerage sales, the undisputed leader was the company's Chicago office, managed by **Bob Baierl** and **Carter Crews**. The office produced \$53.3 million of volume.

In activity — the number of applications for life insurance that an agent places — the leader was **Leo Theroux**, **CLU**, of the Montreal Place d'Armes office. Theroux placed 277 insurance applications in 1981.

Far Above Average

'Average' isn't a word that James Albert Boles understands: in fact it's irrelevant to the 101 year old, a Great-West policyholder in Elora, Ontario.

The retired farmer bought his first policy from the company in 1927. He was born in Fergus, Ontario into a family of six brothers and four sisters, and is now the only surviving member. He raised his own family in the region.

Boles' advice to those who would increase their longevity: "Work hard, and be a good friend to everyone."

Washing Windows For Hope

How long does it take to wash 8.6 acres of glass? A Denver disc jockey did it in two weeks in 1981 to raise money for the American Cancer Society.

Steve Kelly of KIMN in Denver washed every window on both buildings of Great-West Plaza. Denver area corporations, including Great-West Life, pledged donations on a per-window basis, and helped to raise more than \$32,000 in aid of cancer research.

Former Hopwood Award Winner Dies

Ted Glista, 1979 winner of Great-West Life's prestigious Hopwood Award, died January 12, 1981 at the age of 47.

Tributes to Glista recognized his 31 years of service work. He was a key figure in the Polish Alliance of Canada's acquisition of "The Polish Canadians", a series of 26 paintings by late artist William Kurelek.

Glista's other positions included terms as chairman of the Missisauga Heart Fund, Ontario chairman of the Canadian Consultative Council on Multiculturalism under the Secretary of State, and a director of the Canadian National Ballet. As publicity director for the Copernicus Lodge, he helped raise \$1.5 million for the construction of a 110-bed senior citizens' home. He was posthumously named Mississauga's Citizen of the Year for 1980.

Glista joined Great-West Life in Toronto in 1957 and subsequently earned a top reputation in

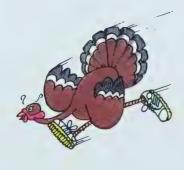


the company and the industry. He qualified for membership in the elite Million Dollar Round Table and won numerous production awards within Great-West.

Turkey Trot Gobbles Up Donations

Seven members of the company's Denver staff took part in the annual Thanksgiving Day "Turkey Trot". It was held to raise funds for the Children's Hospital, a regional pediatric health care center.

Jack Baker, Orest Dackow, Jim Forrest, Barb Gibson, Don James, Bob Nelson, and Bob Perkins collected \$300 in pledges to add to the \$1,200 sum raised by the Denver Association of Life Underwriters. The runners completed a 4.4 mile course.



Great-West Life came up with two winning 'hands' in the annual competition sponsored by the Life Advertisers Association.

An information package introducing the company's new individual life product portfolio to its field force won an award of excellence for internal sales promotion.

The package included an audio visual production, sample ratebooks, brochures, and notebooks highlighting the company's new individual life portfolio.

The company also won in the sales promotion category, for its second annual "Big Deal". In the Big Deal, prizes were awarded to agents who built the best poker hands, based on playing cards they'd collected for submitting new applications for insurance. The winning package included playing cards and a rules brochure.

Answers to 500 questions

The Answer Program, known as 'TAP', was introduced six years ago at Great-West Life to provide a vital communication link throughout the company. TAP is designed as a confidential means for staff and agents to get answers from management. And, so far, they've received more than 500 of them.

Dean Murdoch, the director of corporate communications and services, administers the program. He emphasizes that TAP is more than just a forum for questions and answers.

"TAP lets an individual suggest new company policy or point out areas that need change. It has tackled topics from maternity leave to our investment procedures, and it encourages healthy communication."

When response to the program began to drop slightly at the beginning of 1980, Murdoch notes that two possible explanations were considered.

"We felt that people had had all their questions answered — which didn't seem likely! — or that they'd forgotten about TAP. We began to advertise it in the company publication, and now the responses are back to their former level."

Outstanding Citizens

Several Great-West Life people were recognized as outstanding citizens in 1981.

Tom Trainor, of the company's Nova Scotia branch, completed a two-year term as president of the Halifax-Dartmouth United Way. He received that organization's award for outstanding service to his community.

John MacGowan, CLU, CFP, now regional agency manager, received a citation from the United Way in recognition of his outstanding community service.

And, in the company's Ottawa Carleton office, A. deL. Panet, CLU received a citation from the United Way of Ottawa recognizing his many years of service to community organizations. He has been part of the United Way in Ottawa since 1937, and is currently vice-president of the local chapter of the Red Cross.

In the company's Toronto Carlton office, manager Norris Bowden, CLU was presented with a citizenship award by the Ontario Association of Professional Engineers, in the sports/community service category.

Bowden is a former world class figure skater and managed the Canadian team in the World Figure Skating Championships in Hartford last March.

The 'Great-West Gallery'

Each year in June, the best art works of Great-West Life staff and their families are displayed during the company's annual show, held in Winnipeg.

Last year it drew 351 entries, from a cross section of staff, field respresentatives, and their families across North America.

The categories included ceramics, pottery, oil and acrylic paintings, pastel work, watercolors, needlecrafts, and photography.

A special emphasis on youth drew twice the usual number of entries in the juniors' (12 - 16) and childrens' (II and under) categories. The judges reported that they were particularly impressed with the entries of these budding artists.

North side, South side

Geoff Basden is one of about 3,000 Canadians who eat breakfast in Ontario, drive to work in Michigan, and return home for dinner in Canada.

For Basden, who lives in Amherstburg, near Windsor, his June I retirement marked the end of an 11-year routine: a daily 18-mile trip across the border to work.

Living in one country and working in another had a few disadvantages, claims Basden, who was formerly supervisor of group accounts in the company's Detroit group office.

"I received credit on my Canadian income tax return for the amount I paid in the U.S., but ended up paying the higher of the two rates. It was a very taxing situation," quips Basden.

Year-Round Volunteer

For Roy Pollington, of Great-West's Hamilton Niagara office, Volunteer Week doesn't run for seven days: it's a year-round commitment.

Pollington teaches swimming to children who are mentally or physically handicapped. He also recruits volunteers and teaches them to lead Adapted Aquatics programs for the handicapped in their communities.

He became involved with physically handicapped children 14 years ago, when he helped a young girl with cerebral palsy learn how to swim. When they started she could barely float; today, she can swim 22 lengths of the pool.

Now, the whole family gets involved: Roy's wife Dianne and the couple's two daughters work with physically handicapped children every Sunday, and Thursday mornings are spent with mentally retarded children in an aquatics program which runs year-round.

Asked why he is so deeply committed to these programs, Pollington replies, "Helping handicapped children is my talent, and I feel that if you have a talent, you should use it."

Rally Round!

It took an actuary to figure out some of the instructions in the company's annual car rally in Winnipeg. In fact, last year's winning team members — navigator Wayne Bergquist, FSA, director of taxation, and driver Michael Aloisio, manager of individual products — are both actuaries.

Aloisio, a native of New York City, admits that a lot of planning went into their strategy. And, Bergquist says that he was sure he'd win when he found a driver who didn't know anything about Winnipeg's layout.

Great-West's first rally in Denver drew 43 cars and more than 150 participants. The route took in the east and southwest sections of Denver, leaving many first-timers completely off track.

But, if the rally instructions left them baffled, at least directions to the awards dinner in Aurora were clear.

70 Years' Service

When three members of Great-West's St. Louis group office celebrated their anniversaries with the company this past summer, their total service added up to 70 years.

Byron Taggart retired this year with 30 years' service; Barry Friedman, CLU, of the St. Louis agency had 25 years' service; and Dotty Taggart marked her 15th year with Great-West.

Because a large volume of the office's work is tax sheltered annuity business, the trio was presented with a TSA motif cake.

Actuaries Multiply...

The 16th annual Actuarial Research Conference was held at the University of Manitoba in late August, drawing more than 100 people from across North America. Their backgrounds ranged from life insurance companies to consulting firms and government.

Among the guest speakers were two Great-West people: George Dinney, FSA, vice-president of development, and Dr. David Erbach, information resource officer.

The theme of the conference was "Computers: state of the art and its implications for the actuarial profession."

Great-West Life Offices

Corporate Headquarters and Canadian Marketing Headquarters — Winnipeg, Manitoba United States Headquarters and United States Marketing Headquarters — Denver, Colorado

Great-West Life is licensed in all ten Canadian provinces and, as indicated by the brown areas on the map, in the District of Columbia and following states:

Alabama Alaska Arizona Arkansas California Colorado

Connecticut

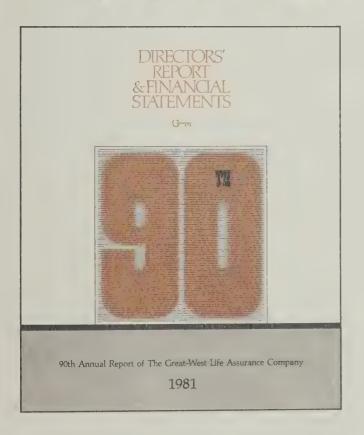
Delaware Florida Georgia Hawaii Idaho Illinois Indiana lowa Kansas Kentucky Louisiana Maine Maryland Massachusetts Michigan Minnesota Mississippi Missouri Montana Nebraska Nevada New Hampshire New Jersey New Mexico North Carolina North Dakota Ohio Oklahoma Oregon Pennsylvania South Carolina South Dakota Tennessee Texas Utah Vermont Virginia Washington West Virginia Wisconsin

Dots indicate cities in which Great-West Life has one or more of the following:

Individual Sales Office Group Sales Office

ffice Brokerage Office e Property Investment Office Benefit Payments Office

Great-West Life ANNUAL REPORT



If you would like a copy of the 90th Annual Report of The Great-West Life Assurance Company, to which this magazine is a supplement, it's yours for the asking.

It contains the Directors' Report and Financial Statements, including the Summary of Operations, Balance Sheet, and other significant facts and figures.

Just write to:

Mr. E.R. Allden Associate Secretary The Great-West Life Assurance Company 60 Osborne St. North Winnipeg, Manitoba, Canada R3C 3A5

1981 FINANCIAL HIGHLIGHTS

Continuing the upward trend of recent years, 1981 sales of life insurance and annuities established a record for Great-West Life. Measured by the amount of life insurance protection provided, insurance sales totalled \$9,053,832,000, up 5% over 1980, with 47% in Canada and 53% in the United States respectively. Annuity sales, measured on a revenue premium basis, totalled \$598,924,000 up 10% over 1980. Sales in Canada accounted for 58% of the total with 42% in the United States.

Health insurance sales, expressed in terms of gross annual premiums, also set a record in 1981 at \$157,702,000, of which Canadian sales accounted for 29% and 71% from the U.S.

Life insurance business in force increased 16% to \$64,136,609,000 of which 61% was in Canada and 39% in the United States. Annuity business was up 14% to \$3,184,269,000 based on funds held. That represented 58% from Canada and 42% from the U.S.

Health insurance in force, in terms of gross annual premium, totalled \$718,595,000 at December 31, with 42% and 58% in Canada and the United States respectively, representing an increase of 13% over the previous year.

NEW CUSTOMERS

Over 37,000 individual life insurance policies were sold in 1981, with an average face value of \$75,515. This compares with an average protection per policy of \$72,302 in the previous year. In addition, 15,742 individual annuity policies were purchased last year.

Group insurance accounts for a large portion of Great-West Life's activities. Last year, 1,601 businesses, associations or unions chose to insure their people through Great-West Life. In addition, there were 877 new group annuity policies.

In total, by the end of 1981, Great-West Life had 504,797 individual insurance plans in force. About 3.2 million people were covered by 6,368 group insurance plans. Over 85,000 individual annuities and 6,114 group annuity plans from Great-West Life provide future income security for North Americans.

INCOME

Great-West Life's total income in 1981 reached \$1,927,072,000. Premiums paid by policyholders accounted for \$1,447,530,000 of the total, an increase of 10% over last year.

While investible funds declined from the level of 1980, net investment income increased to \$513,069,000, up 19% over the previous year. This money, invested on behalf of policyholders and shareholders in bonds, stocks, mortgages and real estate, yielded a 10.14% return on the company's total assets, compared with 9.76% return the previous year.

Total funds available for investment, including repayment of principle on investments made the previous years, amounted to \$865,000,000 compared with \$983,000,000 in 1980. Money market investments accounted for the largest allocation of investible funds followed by mortgages, real estate, stocks and bonds.

Net realized and unrealized capital losses on segregated investment funds were \$33,527,000 in 1981. These capital losses do not affect Great-West Life's income as they are credited or charged to the segregated funds only.

BENEFIT PAYMENTS

Great-West Life pays out money each year as life insurance claims: funds to reduce the costs of hospital care; reimbursements of dental bills; income for annuitants; replacement of income through disabling illnesses or accidents; and as dividends on participating plans. Last year \$1,284 million was paid out to policyholders and beneficiaries. As well, \$354 million was added to the policy reserves held to provide for future payments to policyholders. In total, \$1,637,771,000 was paid out or credited to policyholders and their beneficiaries.

EXPENSES

The company's operating expenses at \$140,894,000 were up 24% over the previous year, while compensation for Great-West Life representatives was up 10%.

NET INCOME

In the participating policyholders' account, net income from operations before policyholder dividends was \$70,126,000 down 16% from the previous year. Less favorable mortality experience and an increase in surrenders were the two most significant factors contributing to the result. Of the total \$53,699,000 was appropriated for policyholder dividends, and after a charge of \$6,993,000 for other items, \$9,434,000 was carried forward to the participating policyholders' surplus account.

Net income from operations attributable to shareholders amounted to \$51,454,000 representing \$25.72 per share compared with \$24.17 in 1980, an increase of 6%.

Improved investment income was largely offset by less favorable mortality experience, surrenders, and reduced earnings in the United States group health insurance line of business. After a charge of \$9,269,000 for other items, net income to shareholders was \$21.09. Including a gain from other items of \$8,477,000, net income to shareholders in 1980 was \$28.41 per share.



Lithographed in Canada



This is Great-West Life

The Great-West Life Assurance Company offers life, health and annuity products to groups and individuals through an extensive network of offices across North America.

Great-West is licensed across Canada, and in 47 American States and the District of Columbia. For the fourth consecutive year, Great-West paid or credited over a billion dollars to its policyholders and their beneficiaries.

President's Message



Our lives are shaped by a broad spectrum of events: some revolutionary, some evolutionary. Great-West Life's ninety-first year felt the effects of both.

The greatest impact materialized in our perception of change. We no longer see it as characterized by short-term, isolated events affecting only one aspect of a company's operations. The events that directed our path from 1982 into 1983 involved major, ongoing shifts in consumer expectations, technological innovations, and economic considerations.

As a result, changes of a particularly long-term nature came about in both our philosophies and practices.

Great-West Life's mission, to achieve preeminence in its field, gave focus and direction to those efforts. In many key areas, Great-West introduced innovative changes unique among its competitors.

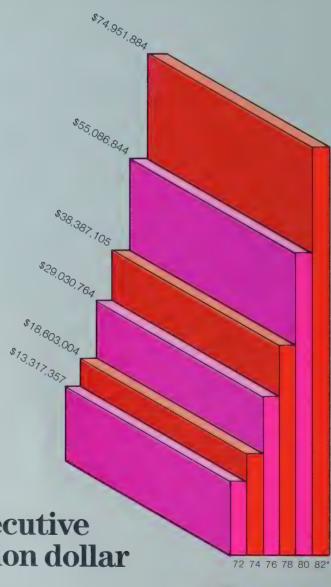
A review of those gives you some idea of the exciting resources—the people, the products, the technologies and the financial management skills—Great-West Life has brought to bear on our turbulent times.

MPKavanagh

President and Chief Executive Officer

hange is no longer characterized by short-term, isolated events."

Life Insurance in Force (measured by face value of policies, in thousands of dollars)



or the third consecutive year, we've passed the billion dollar mark."

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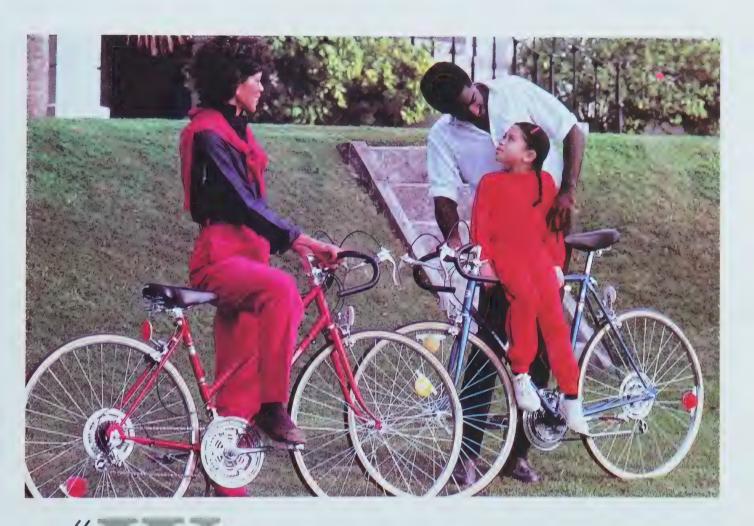
*In 1982, U.S. currency items are recorded at a book rate of \$1.15 in Canadian dollars.

The People We Touch

Great-West Life's operations touch millions of people across North America and affect their economic well-being in a wide variety of ways.

Naturally, there are the people protected by the products we provide: nearly 3.5 million coverages are in force in Canada and the United States. We paid or credited more than \$2,000,000,000 to policyholders or to their beneficiaries in 1982, the fourth consecutive year we've passed the billion dollar mark.

The premiums Great-West Life received for its products reached \$1,708,437,000 last year and they provide a second way for the company to touch people's lives. The premiums must be invested in order to pay future claims and Great-West chooses its investment vehicles with an eye to protecting policyholders' interests and benefiting the community at large.



e invest premiums to benefit policyholders and the community at large."

Investment Division Plays a Major Role

The company's investment division selects those investments, including stocks, bonds, mortgages, and real estate. As a result, the division is particularly sensitive to the broad economic picture, domestically and internationally.

While many people will recall 1982 as a year when world wide economic conditions worsened, and unemployment climbed to levels not seen in recent times, there were developments of a highly positive nature. Inflation abated significantly and interest rates tumbled. Bond and equity prices rallied strongly while the vitality of the marketplace for financial assets was greatly improved.

e're aligning the time frames of our assets and our liabilities."



anadian pension fund vehicles were very well received."

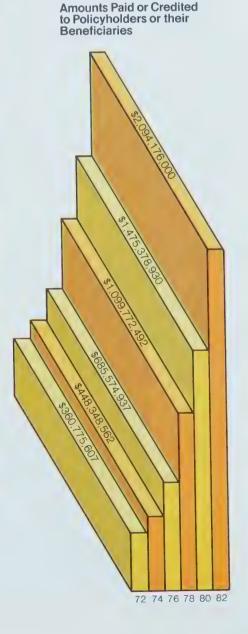
Great-West Life used the more buoyant financial conditions of the year to more closely align the time frame over which the company's assets and liabilities fall due. Emphasis was shifted away from real estate development to recognize a decrease in demand for leased properties.

As the company increased its involvement in money accumulation products, the investment division developed closer ties with insurance operations areas. This will ensure the co-ordination of the term and yield of investment commitments with those of money accumulation products. A significant step toward this end was the appointment of Grant Dominy as vice-president for investment policy.

The company was particularly successful in its drive to further establish itself as a leader in the investment management of Canadian pension funds. In this area, a number of real estate related products were very well received.

In recent years, financial markets have been characterized by a high degree of uncertainty and volatility. However, there are promising signs of improving stability. While 1983 promises no more than modest economic growth, there are good reasons to expect that both inflation and interest rates will continue their downward trend. The year can be viewed as a building period for much improved conditions in the future.





The Products and Services We Provide

Onsumers are increasingly eager to ensure that the life insurance products they purchase meet their needs and provide good value. Great-West Life has a commitment to identify those needs, as they evolve, and to clearly identify to customers what value they receive for their insurance dollar.

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The approach the company takes in meeting those objectives varies between Canada and the United States because of the unique regulatory and competitive environments in the two countries. In 1982, these were some of the major accomplishments.

The company's regionalization of operations was completed. United States operations headquarters are fully established in Denver, Colorado. Canadian operations remain in Winnipeg, Manitoba along with the company's corporate headquarters. Individual and group divisions in both countries each

nique regulatory environments led to distinct Canadian and U.S. operations."









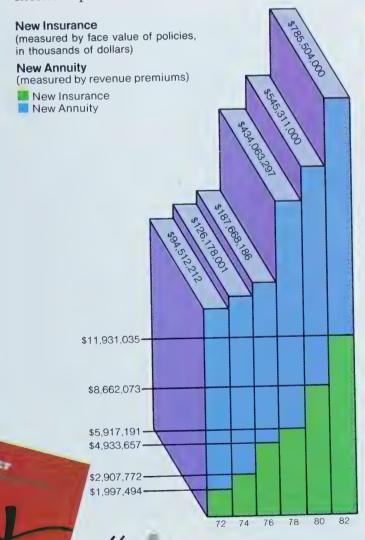
report to a vice-president, with senior vicepresidents Orest Dackow and John Green responsible for overall United States and Canadian operations respectively.

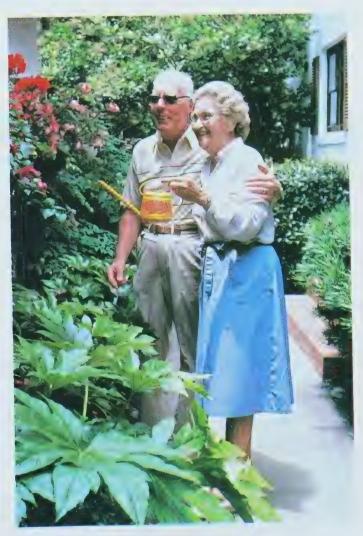
nited States product innovations in 1982 reflected the economic mood of the marketplace, stressing value, service and flexibility. EDGE®, a non-refund product for groups of 25 to 150, emphasize service and value to the employer and employees, specifically offering cash flow advantages through its premium payment system and cost containment features.

Several additions and revisions to the individual line of products were also introduced. Life at 90 and Life at 95 are two whole life additions to the participating portfolio. Life at 90 uses term insurance enhancements to provide increased face value for a

lower premium than more traditional whole life products. Life at 95 offers basic low premiums per thousand dollars of coverage.

APPLeS® the Advanced Premium Planning Ledger Service, offers a creative approach to funding insurance programs. It allows flexible deposits at higher guaranteed interest rates. It appeals to individuals and corporations who need a tailored funding program and are interested in reducing the premium payment period. Individual Product Officer Bob Slepicka says "APPLeS" represents an exciting, innovative and competitive product dictated by our current marketplace. It's a relatively new concept: only a few companies in the industry are making use of it."





PPLeS offers a creative approach to funding insurance programs."

I lexibility is also reflected in the revisions to the U.S. disability income portfolio. Enhancements to its products were modelled after the top products in the field and reflect market concern with price and inflation. The frequency of the graded premium option on the Preferred Earnings Protector is unique in the industry: it permits lower premiums during the early, limited income producing years. Two forms of inflation adjustment also help ensure protection of income for disabled policyholders.

Great-West Life's venture into the money accumulation marketplace was expanded and took the form of MAXIM®. MAXIM is a product of Great-West Life's wholly-owned U.S. subsidiary, Great-West Life and Annuity. The product offers three portfolios: money market funds, bonds, and income equity.

"Maxim is an exciting product concept," says Slepicka. "It's a combination of a variable annuity with one of three investment portfolios. The product is designed to meet the more sophisticated demands of today's buyers who want a current rate of return."

In response to favorable tax legislation in the U.S., the company increased its dividend scale on current issues of level premium ordinary life and Jumbo Joint Estate Protector policies. The legislation allowed Great-West to distribute more of its investment income to participating policyholders.

In Canada, both product and system changes were introduced to the field force.



AXIM meets the more sophisticated demands of today's buyer."

To serve Canada's geographically diverse market while taking maximum advantage of resources, individual sales offices in major centers were consolidated into Regional Agency offices. This provides the company's representatives with direct access to the expertise of Great-West Life specialists in their city, and to a variety of technical support systems too costly to provide to the former number of smaller offices.

"Keeping costs down is a major concern in our industry," notes individual vicepresident Chris Chapman. "We're the first company in Canada to take this important step. It saves a great deal of money and it improves the service we can offer."

"I think you'll see other major companies following our example."

ur people have direct access to a variety of technical support systems."







Great-West also introduced The Living Life Insurance Policy, a universal life product. It's a policy that can change as the customer's need for coverage evolves.

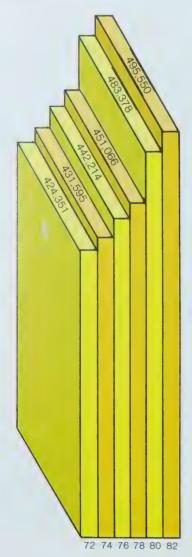
When the customer opts for Living Life, the agent will suggest a payment plan that suits the client's situation. The premiums are paid, usually on a monthly basis, into a cash value account—the basic component of the product. The costs of insurance and administration, both fully disclosed to the client, are deducted as they are incurred each month. Any excess amount in the cash value account earns a current rate of interest.

Living Life provides great flexibility and guarantees service for the lifetime of the contract. If the client does not make a premium deposit on the schedule chosen, the coverage continues in force for as long as there are sufficient funds in the cash value account to cover the month's costs. The policy allows the client to change the amount of coverage; it also offers inflation protection, waiver of premium, guaranteed interest and guaranteed insurability options.

During that same time, the company was preparing to introduce its new Canadian agents' compensation plan: The Gold Key Financial Practice. The plan is designed to benefit consumers as well as agents.

iving Life may be the only insurance product the client needs, for a lifetime."

Individual Insurance Policies In Force







The Gold Key Financial Practice eliminates wide variations in the amount paid to agents for the sale of different products. It supports the development of a lifelong career in the industry by allowing the agent to build a block of business with a saleable value at retirement. This provides service continuity to the client.

"We've designed the first system that addresses consumer concerns about the influence commissions have on what an insurance representative proposes," says John MacGowan, director of marketing. "At the same time, we've emphasized the professional aspects of the business in a tangible way. That will retain and attract top quality representatives to Great-West and will, I'm sure, become the industry standard."

Great-West Life maintained and enhanced its leadership position in the Canadian Group Life and Health marketplace in 1982. Initiatives to expand the customer base

resulted in a record number of new group clients—a direct reflection of the quality, flexibility and competitiveness of the company's group products in combination with a superior group sales organization.

n the Canadian Group Pension market several new products were introduced in response to the needs and opportunities developing in the pension marketplace. In the smaller business community, an administratively simple and cost effective pension program called PENSION PAC was introduced with much success. In the medium sized market a defined contribution plan, MAP, is now being offered with many unique plan characteristics designed to meet the changing requirements of clients' plans as they grow. In the larger market, new real estate funds were introduced, allowing pension plans to capitalize on Great-West's proven performance in the real estate market.

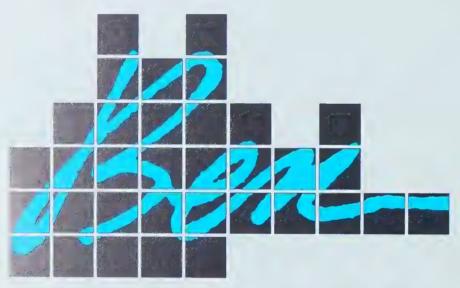


When the Contract's in Force

The only thing better than a new customer is a repeat customer. Great-West pays particular attention to its after-sales service to encourage that loyalty.

merging technologies have been a key asset here. The Computerized Group Benefit Administration System BEN® (short for Benefits) is the most technically advanced benefit system available today, offering high quality, efficient and personalized benefit service. BEN has enhanced the company's ability to understand and respond to the needs of both employers and their employees.

EN has enhanced the human side of claims payment."







B EN provides instant access to a broad range of information which it displays on a video screen. Using that, claims examiners can tell customers exactly what stage a claim has reached: for example, whether a check has been issued or if Great-West still needs information from the customer before issuing payment. To protect clients' privacy, only authorized claims examiners have access to the information.

The company is enjoying the benefits of automation in many of its offices and departments. The use of word processing, computer systems and communications networks means improved speed and accuracy in all lines of business. And, for the people whose jobs are affected by the electronic revolution, the change means information at their finger tips and the elimination of many tedious and repetitive tasks.







Great-West Life continued to pay particular attention to the development of its people resources, whether training staff to use the new technologies or instructing them in other aspects of their jobs. The company has a well developed roster of in-house courses for its sales and support staff. These range from orientation to sales counselling to management theory presentations.

And, while the employees are learning from company instructors, the company is learning from its employees. Great-West Life is pioneering an application of quality control circles in a service setting. The Productivity Services area has established Innovative Change Teams in several areas of the company to provide a focus for department improvement efforts and to provide an upward communication channel for employee ideas. The voluntary teams work to identify, research and solve inefficiencies in their areas.

t Great-West, staff training staff is a tradition."





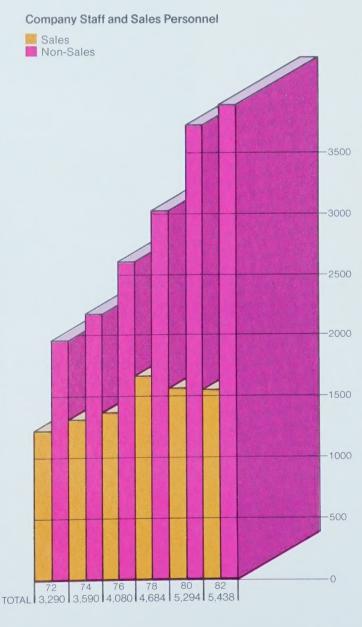


A network has been established to provide team leaders and facilitators with a medium for the exchange of productivity tools and techniques that work well, and to support the development of more teams across the company.

At the most senior levels of the company, a Corporate Management Committee was formed to provide a forum for planning decisions. Led by president Kevin Kavanagh, the committee looks at short-term and long-range business plans for the company and the policy decisions needed to support them.

nnovative Change Teams are pioneering applications of productivity concepts."





A Foundation for the Future

In October of 1982, Kevin Kavanagh, John Green and Orest Dackow laid the cornerstone of the company's now complete corporate headquarters building in Winnipeg. Great-West Life Centre will provide space for all the company's Winnipeg employees to be located on the Osborne St. site.

With those physical foundations in place, Great-West is quickly moving to position its corporate foundations in an optimal alignment with the demands ahead. As changes occur in the structure of the family, the economic environment, the nature of competition, and the legislative arena, the company will focus its operations to thrive as a leader in the insurance industry.

G reat-West has made a successful transition from its regional beginnings 91 years ago to its present international position in the top one per cent of its industry. Those lessons will serve well in the years to come.



success story: from regional beginnings to international stature."

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J. O. PARSONAGE Senior Vice-President Corporate Finance and Control

J. A. HILLMAN
Vice-President and Controller

Corporate Resources

H. E. HARLAND Senior Vice-President Corporate Resources

R. B. PENNYCOOK Vice-President Corporate Systems

Corporate Staff

G. R. DINNEY Vice-President Corporate Planning and Development

H. W. B. MANNING Vice-President and Counsel

R. K. SIDDALL Vice-President and Secretary

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1675 Broadway Denver, Colorado

United States Individual Operations

7400 E. Orchard Englewood, Colorado

